City of Garland

ANNUAL COMPREHENSIVE FINANCE REPORT

for the year ended September 30, 2022

GARLAND
TEXAS MADE HERE

CITY OF GARLAND, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2022

CITY COUNCIL

Scott LeMay, Mayor
Jeff Bass, District 1
Deborah Morris, Mayor Pro Tem, District 2
Ed Moore, District 3
B. J. Williams, District 4
Margaret Lucht, District 5
Robert Vera, District 6
Dylan Hedrick, District 7
Robert John Smith, Deputy Mayor Pro Tem, District 8

CITY MANAGER

Judson Rex

MANAGING DIRECTOR, FINANCIAL SERVICES

Matt Watson

Prepared by

Financial Services Department

CITY OF GARLAND, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Table of Contents

I. Introductory Section - Unaudited

Letter of Transmittal v
Certificate of Achievement xiv
Organizational Chart xv

II. Financial Section

Independent Auditor's Report 1

A. Management's Discussion and Analysis - Unaudited 6

B. Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 27
Statement of Activities 28

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet 29
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 30
Statement of Revenues, Expenditures, and Changes in Fund Balances 31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 32

Proprietary Fund Financial Statements

Statement of Net Position 33
Statement of Revenues, Expenses, and Changes in Fund Net Position 35
Statement of Cash Flows 36

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position 38
Statement of Changes in Fiduciary Net Position 39

Notes to the Financial Statements 40

C. Required Supplementary Information - Unaudited

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.. 98
Schedule of Changes in Net Pension Liability and Related Ratios 99
TMRS Schedule of Contributions 100
Schedule of Changes in OPEB Liability and Related Ratios 101
OPEB Schedule of Contributions 102
TMRS Supplemental Death Benefit 103
Notes to Required Supplementary Information 104

D. Combining Financial Statements

Nonmajor Governmental Funds

Balance Sheet 107
Statement of Revenues, Expenditures, and Changes in Fund Balances 108
Budgetary Comparison Schedule – Community Development Grant Fund 109
Budgetary Comparison Schedule – Housing Assistance Program Fund 110
Budgetary Comparison Schedule – Neighbor Services Fund 111
Budgetary Comparison Schedule – Hotel/Motel Tax Fund 112
Budgetary Comparison Schedule – Police Training Grant Fund 113
Budgetary Comparison Schedule – Narcotic Seizure Fund 114
Budgetary Comparison Schedule – Treasury Department Grants Fund 115
Budgetary Comparison Schedule – Tax Increment Financing Zone Funds 116

Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund 117

Nonmajor Enterprise Funds

Statement of Net Position 119
Statement of Revenues, Expenses, and Changes in Fund Net Position 121
Statement of Cash Flows 122

Internal Service Funds

Statement of Net Position 125
Statement of Revenues, Expenses, and Changes in Fund Net Position 126
Statement of Cash Flows 127

III. Statistical Section - Unaudited

Net Position by Component 130
Changes in Net Position 131
Governmental Activities Tax Revenues by Source 133
Fund Balances of Governmental Funds 134

Changes in Fund Balances of Governmental Funds 135
Assessed Value and Actual Value of Taxable Property 136
Property Tax Rates Direct and Overlapping Governments 137
Principal Property Tax Payers 138
Property Tax Levies and Collections 139
Ratios of Outstanding Debt by Year 140
Ratios of General Bonded Debt Outstanding 141
Estimated Direct and Overlapping Governmental Activities Debt 142
Legal Debt Margin Information 143
Pledged Revenue Coverage 144
Demographic and Economic Statistics 145
Principal Employers 146
Full-time Equivalent City Government Employees by Function 147
Operating Indicators by Function 148
Capital Asset Statistics by Function 149
Texas Municipal Power Agency 150
Schedule of Insurance in Force 151

GARLAND

TEXAS MADE HERE

March 13, 2023

Citizens of the City of Garland
Garland, Texas

Dear Citizens:

The Annual Comprehensive Financial Report (Annual Report) of the City of Garland, Texas (the City), for the year ended September 30, 2022 is hereby submitted. The report is published to provide detailed information concerning the financial condition of the City to our citizens and the financial community, as well as other interested parties. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Governmental Accounting Standards Board requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately after the independent auditors' report.

GENERAL INFORMATION – CITY OF GARLAND

The City of Garland is located northeast of Dallas and is one of the largest communities in the Dallas/Fort Worth Metroplex. As the 13th largest city in Texas, Garland covers 57 square miles and is bordered by three major freeways: Interstate 635, Interstate 30, and State Highway 190 (President George Bush Turnpike).

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's home rule Charter. The City was incorporated in 1891 and first adopted its Home Rule Charter in 1951. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and eight Council members. The City Manager is the chief administrative officer for the City.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Garland as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events; electric, water, and wastewater utility services; golf course facilities; storm water facilities, and sanitation collection services.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Garland Housing Finance Corporation, the Garland Economic Development Authority, and the Garland Health Facilities Development Corporation are not included in the primary government. In accordance with GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34", the City determined that the Garland Health Facilities Development Corporation and the Garland Economic Development Authority, which were discretely presented as component units in the City's financial statements in prior years, are no longer necessary to be reported within the City's financial statements and have been excluded from the City's FY2022 Annual Comprehensive Financial Report. The Garland Independent School District is excluded from this report because it is a separate governmental entity with a separately elected board of trustees.

The Garland Foundation for Development (GFFD) was organized to promote economic development and other activities within the Garland Community. The City Council serves as the board members for GFFD and the City Manager is the Executive Director. GFFD is reported as a blended component unit of the non-major governmental fund.

The Garland Public Facility Corporation (GPFC) was created as a public facility corporation for the purpose of assisting the City in financing, refinancing, or providing public facilities. The Mayor and City Council serves as the board members of the GPFC. GPFC is reported as a blended component unit of the non-major governmental funds.

DEMOGRAPHICS

Garland's population totaled 246,018 in the 2020 census count with current estimates placing the population at approximately 247,590. Garland has an estimated 87,073 housing units and an employment base of approximately 125,904. Garland is diverse in ethnicity and education. Most recent estimates place the city's population at 58.3% white, 14.2% African American, 0.6% American Indian or Alaska Native, 11% Asian, and 9.3% two or more races. An estimated 44.3% is Hispanic/Latino (of any race). More than 77% of the city's adult population is educated above the high school level or higher, with more than 23% of the population possessing a bachelor's degree or higher. Per the Garland Economic Development Office, the 2022 estimated average household income in Garland was $79,909. Per the Dallas Central Appraisal District, the average market value for detached single-family residences in Garland for 2022 is $271,665.

LOCAL ECONOMY AND DEVELOPMENT

Garland is known for its economic and industrial base, which consists of more than 5,000 businesses including approximately 300 manufacturing companies. The City has been recognized as a manufacturing community since the 1940s, and numerous Fortune 500 corporations along with many others have selected Garland as home base for their strategic operations. The following is a partial list of companies that maintain operations in Garland:

Arrow Fabrication Tubing	*General Dynamics Corp.*	*Packaging Corp. of America*
Batory Foods	*Kirchhoff Automotive*	*Plastipak Packaging*
Cosmax NBT	*Kraft Heinz Foods*	*Quest USA*
Daisy Brands, Inc.	*Mapei Corporation*	*Resistol Hats*
Ecolab, Inc.	*NTT Data Center*	*Sherwin-Williams*
Epiroc Drilling Solutions	*O'Neal Flat Rolled Metals*	*US Food Services*

Boardwalk Paving and Construction is building a new 44,000 square-foot building on the eastern portion of its 10-acre property, which will more than double the space of its current Garland operations. A second phase of construction will redevelop a 17,000 square-foot retail space into a 30,000 square-foot spec building for a total investment of $15 million. Zobele USA, Inc., a chemical manufacturer that produces laundry and fabric care products, is significantly expanding its operations at Regency Crest Lane. A $30 million expansion will include a 76,000 square-foot expansion to the existing building in addition to the new equipment to be installed in the current 165,000 square-foot building already leased. Zobele expects to double its production capacity with an $18 million investment in new machinery and equipment and add 150 new jobs.

Reserve Capital Partners is making an estimated $15.6 million investment with two Class-A industrial spaces totaling 200,000 square feet on a 11.5-acre infill site. One building will be 119,703 square feet and the other will be 74,983 square feet. Both are expected to be completed in the first quarter of 2023. The industrial vacancy in Garland is currently 2.3% and has remained a historically tight market for almost a full year. Additional industrial developments – specifically several infill and redevelopment projects – are in the works for Garland and will be announced in the coming months. The DFW industrial market continues to be competitive, and Garland continually leads in quality industrial developments in the region.

In response to the rapidly-increasing data traffic and central location advantage, the DFW market is becoming one of the largest data center markets in the nation. In turn, conversations are continuing around future data center developments, with many existing data centers planning expansions. The area along the President George Bush Turnpike has also seen a tremendous amount of other commercial development, mixed use developments, and other projects.

Additionally, in response to the continued need for high-quality industrial, commercial, and retail space, the City has been working to create new redevelopment-specific programs to aid in the redevelopment of crucial areas within the city. One project bringing redevelopment near Downtown is The Draper, which has demolished the vacant Wyatt's Cafeteria and is currently under construction. The first phase of the project includes building 155 new multifamily units on the former cafeteria site.

In May 2019, Garland citizens approved a bond package, which includes $46.0 million for economic development to promote and better support investment and revitalization across the city. The funding will allow the City to acquire and assemble larger parcels for significant reinvestment. To maximize the impact of the investment of these funds, the City has contracted with Ninigret Partners to develop an Economic Development Strategic Plan. It will include a holistic analysis of the strengths, weaknesses, opportunities, and challenges faced by the City's economy and future goals.

As part of a larger redevelopment effort, in 2022, the City purchased the former Cinemark Theater site. This purchase aligns with adjacent City-owned property as well as the local DART transit station. The goal of this site alongside the location of the previous Hypermart, purchased by the City in late 2017, is to prepare for redevelopment projects that will bring revitalization to the South Garland Avenue and Shiloh Road corridor.

Additionally, the City has been searching of a master developer to bring a high-quality development to the City-owned property at Rosehill and I.H. 30. To help attract the best developer possible, within the last year the City completed a hotel feasibility study to provide to potential developers and launched an updated Request for Proposals (RFP).

The RFP brought a number of proposals to the City, and Economic Development has assembled a cross-departmental team to consider the best growth opportunity.

The City has been working with community stakeholders to actively assist, support, and provide resources to Garland businesses, including those impacted most by the COVID-19 pandemic and continued economic instability. This includes developing a façade improvement program and creating an experiential retail support plan aligned to the City's catalyst areas to support retail and commercial owners.

ECONOMIC CONDITIONS AND OUTLOOK

Garland's General Fund revenue base saw healthy increases in the current year. Garland's certified property tax base reached to $21.4 billion in 2022, an astonishing increase of over $3.0 billion (16.4%) from last year's valuation. This is the largest single year increase in Garland's history. New construction contributed an impressive $263.8 million to the increase and was the fifth highest in Garland's history. While the tax base saw record-breaking growth, property tax revenues in the General Fund increased by a more modest amount of $2.6 million (3.7%) due to limitations imposed by the Texas Legislature in Senate Bill 2. Sales tax, however, also set record levels of growth in the current year and greatly exceeded estimates.

While the General Fund's revenue growth is impressive, rapidly rising inflation has put considerable pressure on almost every category of City expenditures. Employee compensation, in particular, has fallen behind rapidly-rising pay levels in the current job market. Other cost pressures are coming from the need for additional staffing in Fire and significant cost increases for technology-based enhancements in Police. In addition, the successful completion of bond projects comes with the need for expanded operating and maintenance budgets. And finally, given the current economic uncertainty, prudent levels of reserves are needed to ensure financial stability should challenges materialize.

The priorities include:

- Compensation/merit increases to stay competitive in a tight labor market.
- Address the impact of inflation on existing service levels.
- Provide necessary funding to meet Public Safety needs.
- Increase operational funding for the completed 2004 and 2019 bond projects.
- Maintain high levels of reserves to respond to unforeseen financial challenges.

FINANCIAL INFORMATION

Accounting and Budgetary Controls

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the liability is incurred. Proprietary operations are maintained on a full accrual basis.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Outstanding encumbrance's lapse at fiscal year-end and the subsequent year's budget is amended to reflect these outstanding encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's revenue managers and the Budget Director. Expenditure budgets are then developed using a *target budgeting* approach. Departments base their initial budget submission on their allocated share of the projected resources, but they can make requests for additional items which the City Manager or City Council may choose to fund. This target budget methodology results in a balanced budget presented to Council. The Proposed Budget is reviewed extensively by the City Council, and the process includes a Charter-mandated public hearing and work sessions that are open to the public. The City Charter requires adoption of the City budget by no later than September 20th. Activities of the general, debt service, community development block grant, housing assistance, neighborhood services, police training, hotel/motel, narcotic seizure, Treasury Department Grants, TIF, and internal service funds are included in the annual appropriated budget.

While the budget is developed and controlled at the departmental level, appropriations are set at the fund level. An ordinance establishes the budget for operating expenses, debt services payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

Changes to approved expenditures are incorporated into the current year budget throughout the year in the form of budget amendments approved by Council. These amendments, as well as updated revenues and other revised expenses, become part of the Revised Budget that is presented to Council concurrent with the Proposed Budget.

During the course of the fiscal year, each department director monitors expenditure controls with overall review exercised by the Budget Director and the City Manager. Monthly expenditure reports are distributed based on the

automated accounting system that provide year-to-date expenditure totals for each line item compared to the amount expended at that point in time in the prior year.

Constant review and oversight of revenue and expenditure trends is maintained with specific responsibility assigned to department directors, revenue managers, and the Budget Director. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the Adopted Budget.

Management of the City is responsible for establishing and maintaining an internal control system designed to ensure that the City's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial awards, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations relating to these programs. Internal controls are subject to periodic evaluation by management, the City's Internal Audit Department, and independent auditors.

As part of the City's single audit, the independent auditors make tests to determine the adequacy of the internal controls, including that portion related to Federal financial awards programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the single audit are published in a separate report to management.

Long-Term Financial Planning

In order to remain financially strong and provide a framework for prudent financial management, the following financial controls are maintained annually:

- A multi-year financial forecast is prepared projecting revenues and expenditures for all major operating funds.
- A multi-year debt service forecast is prepared to project the impact of future debt service payments on the tax rate.

- Rates, fees and charges for services are reviewed and adjusted as necessary to respond to changing financial circumstances.
- Insurance coverages are examined to ensure that policy limits are adequate and in compliance with revenue bond covenants.
- Debt is not used to fund current expenditures.
- Bonds are sold to finance long-term capital projects.
- Total tax-supported debt is maintained so as not to exceed five percent (5%) of the total assessed valuation of taxable property.
- An ending "fund balance" of 30 days of budget-based operating expenditures in the General Fund is maintained as a minimum.
- An ending "fund balance" of 45 days of budget-based operating expenditures is maintained in the Enterprise Funds as a minimum.
- Internal service funds are maintained to be fully self-supporting to the extent that any retained earnings deficit is recovered in the subsequent fiscal year through increased charges to benefiting departments.

OTHER INFORMATION

Independent Audit

According to Article IV, Section 7, of the City Charter, an annual audit to be performed by independent, certified public accountants, is required to be made of the financial records of the City. Weaver and Tidwell, LLP was selected in July 2019 by the City Council to perform the annual audits. In addition to meeting the requirements set forth in the Charter, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1996 and related Uniform Guidance. The independent auditor's report on the basic financial statements is included in the financial section of this report. The independent auditor's report related specifically to the single audit will be issued in a separate document.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Garland for its Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2021. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period. The City of Garland has received a Certificate of Achievement for the last forty consecutive years. We believe that our current report continues to conform to the Certificate of Achievement Program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this Annual Comprehensive Financial Report was accomplished with the professional and dedicated efforts of the staff of the Financial Services Department. Appreciation is also extended to those individuals in other departments who contributed, directly or indirectly, to the development of this report.

In closing, we also want to thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,

Judson Rex
City Manager

Matt Watson
Managing Director of Finance

Kathryn Ritchie
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Garland
Texas

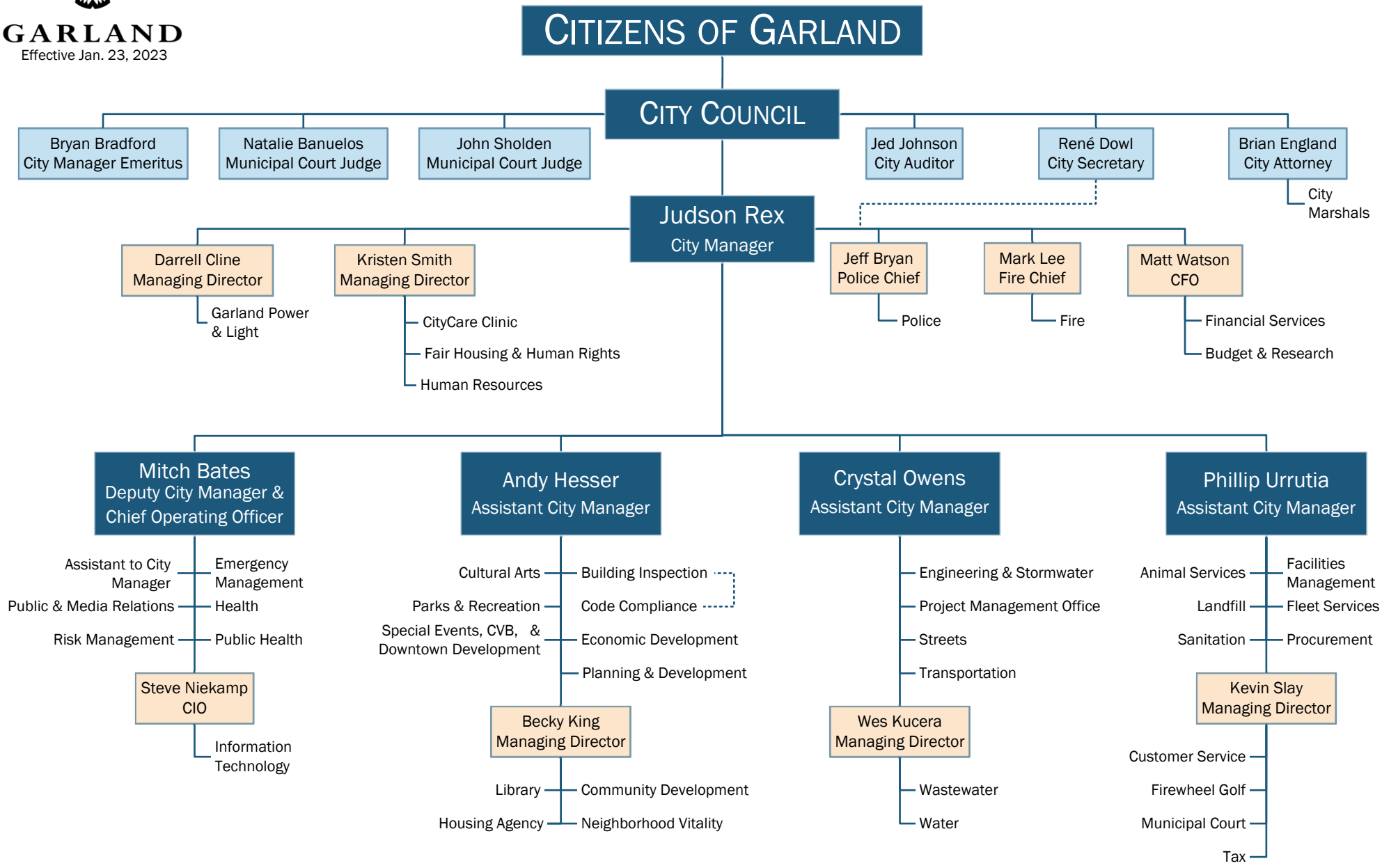
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

GARLAND
Effective Jan. 23, 2023



GARLAND

TEXAS MADE HERE

weaver
Assurance • Tax • Advisory

Independent Auditor's Report

To the Honorable Mayor, Members of the City Council and City Manager
City of Garland, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Garland (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Garland Housing Finance Corporation (GHFC), the discretely presented component unit of the City of Garland as of and for the year ended December 31, 2021. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the GHFC is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970
CPAs AND ADVISORS | WEAVER.COM

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR).

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 13, 2023

GARLAND

TEXAS MADE HERE

City of Garland, Texas
Management's Discussion and Analysis
(Unaudited)

As management of the City of Garland, we offer readers of the City of Garland's financial statements this narrative overview and analysis of the financial activities of the City of Garland for the fiscal year ended September 30, 2022. All amounts, unless otherwise indicated, are expressed in dollars.

Financial Highlights

- The assets and deferred outflows of the City of Garland (the City) exceeded its liabilities and deferred inflows at the close of the fiscal year by $1,249,399,630. Ending net position for governmental activities amount to $391,132,550 and the ending net position for the business type activities amount to $858,267,080.
- Net position for the governmental activities increased $85,274,916 and the net position for the business type activities increased $57,603,695 for a total increase in the City's net position of $142,878,611. Contributing factors related to the increase in governmental activities and in business type activities are discussed in the governmental activities and business type activities sections of this overview and analysis.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $141,219,571. Of the combined ending fund balances, $62,850,580 is restricted, $22,152,955 is committed, $19,063,031 is assigned, and $37,153,005 is unassigned.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred inflows/outflows, and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, landfill, economic development, and culture and recreation. The business-type activities of the City include electric, water, sewer, golf, heliport, storm water, parks performance, and sanitation operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate non-profit corporation for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 26-27 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The City also maintains a fiduciary trust fund for the other post-employment benefits (OPEB).

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare it to the information presented for the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual governmental funds. The General Fund, the Debt Service Fund, and the Capital Projects Fund, are considered to be major funds. Major funds are presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for the General Fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 28-31 of this report.

Proprietary funds

The City maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer, golf, heliport, storm water management, parks performance, and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for group health, self-insurance, long-term disability insurance, fleet, vehicle replacement, information technology, facilities management, warehouse, and customer service operations. The internal service funds are allocated between the governmental and business-type activities based on the level of support each internal service provides to a governmental and business-type activity.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The electric, water, and sewer operations are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds can be found on pages 118-122 and for the internal service funds on pages 124-126.

The proprietary fund financial statements can be found on pages 32-36 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-95 of this report.

Other information

Required supplementary information concerning the General Fund schedule of revenues, expenditures, and changes in fund balances – budget and actual for the year ended September 30, 2022, the net pension liability schedules, and the City's Net Other Postemployment Benefits (OPEB) liability schedules, are presented on pages 97-103 of this report.

Government-wide Financial Analysis

Total assets and deferred outflows at fiscal year-end amount to $3,203,843,932. Current and other assets comprise 37.17% and capital assets comprise 61.55% of the total assets and deferred outflows. Total assets and deferred outflows increased $319,938,970 during the fiscal year.

Total liabilities and deferred inflows at the end of the fiscal year amount to $1,954,444,302. Long-term liabilities comprise 76.02% and other liabilities comprise 19.36% of the total liabilities and deferred inflows. Total liabilities and deferred inflows increased $177,060,359 during the fiscal year.

As mentioned earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows (net position) by $1,249,399,630 for the fiscal year ended September 30, 2022. The largest portion of the City's net position, $785,107,172, represents 62.84% of the total net assets and reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and systems) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, $264,972,959, represents 21.21% of the total net position and represents resources that are subject to external restrictions on how they may be used. These restrictions are detailed in revenue bond debt covenants, the City of Garland Charter, grant contracts, and state law. The remaining balance of unrestricted net position, $199,319,499, represents 15.95% of total net position and may be used to meet the City's ongoing obligations to citizens and creditors.

A comparative schedule of condensed government-wide net position is presented on the following page.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 408,165,970	$ 301,388,287	$ 782,712,880	$ 707,614,321	$ 1,190,878,850	$ 1,009,002,608
Capital assets	680,289,914	589,080,804	1,291,726,887	1,245,280,579	1,972,016,801	1,834,361,383
Total assets	1,088,455,884	890,469,091	2,074,439,767	1,952,894,900	3,162,895,651	2,843,363,991
Total deferred outflows of resources	29,351,419	28,675,491	11,596,862	11,865,480	40,948,281	40,540,971
Long-term liabilities Outstanding	433,165,810	437,877,581	1,052,612,549	1,096,351,856	1,485,778,359	1,534,229,437
Other liabilities	234,428,374	151,256,087	143,971,158	53,736,302	378,399,532	204,992,389
Total liabilities	667,594,184	589,133,668	1,196,583,707	1,150,088,158	1,864,177,891	1,739,221,826
Total deferred inflows of resources	59,080,569	24,153,280	31,185,842	14,008,837	90,266,411	38,162,117
Net position:						
Net investment in capital assets	302,387,528	251,747,773	482,719,644	448,128,873	785,107,172	699,876,646
Restricted for:						
Debt Service	4,645,649	7,422,565	8,126,514	8,069,727	12,772,163	15,492,292
Construction	2,134,656	1,951,780	-	-	2,134,656	1,951,780
Rate Mitigation	-	-	241,582,271	217,304,237	241,582,271	217,304,237
Collateral	-	-	-	11,384,771	-	11,384,771
Housing Assistance	4,047,030	3,607,673	-	-	4,047,030	3,607,673
Other Grant Programs	4,436,839	5,357,900	-	-	4,436,839	5,357,900
Unrestricted	73,480,848	35,769,943	125,838,651	115,775,777	199,319,499	151,545,720
Total net position	$ 391,132,550	$ 305,857,634	$ 858,267,080	$ 800,663,385	$ 1,249,399,630	$ 1,106,521,019

The total net position increased $142,878,611 in the 2022 fiscal year. Governmental activities increased $85,274,916 while the business-type activities increased this total by $57,603,695. These increases are discussed in the governmental activities section and the business-type activities section of this overview and analysis.

Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 60,848,126	$ 51,868,097	$ 518,804,575	$ 512,223,159	$ 579,652,701	$ 564,091,256
Operating grants and contributions	28,231,559	23,114,835	7,269	854,633	28,238,828	23,969,468
Capital grants and contributions	14,426,428	8,014,890	3,690,597	3,502,161	18,117,025	11,517,051
General Revenues:						
Property taxes	138,889,834	133,819,570	-	-	138,889,834	133,819,570
Sales taxes	41,173,582	35,580,376	-	-	41,173,582	35,580,376
Other taxes	9,930,765	9,050,307	-	-	9,930,765	9,050,307
Unrestricted interest earnings	675,329	130,798	346,630	289,125	1,021,959	419,923
Miscellaneous	491,238	198,927	43,837,531	9,547,515	44,328,769	9,746,442
Total Revenues	294,666,861	261,777,800	566,686,602	526,416,593	861,353,463	788,194,393
Expenses:						
General government	44,381,242	42,122,789	-	-	44,381,242	42,122,789
Public safety	117,578,721	118,229,934	-	-	117,578,721	118,229,934
Public works	50,627,594	57,058,678	-	-	50,627,594	57,058,678
Culture and recreation	25,048,374	24,808,132	-	-	25,048,374	24,808,132
Public health	5,736,694	5,320,061	-	-	5,736,694	5,320,061
Interest and fiscal charges	8,125,122	6,508,036	-	-	8,125,122	6,508,036
Electric	-	-	326,533,367	319,876,181	326,533,367	319,876,181
Water	-	-	67,916,783	66,983,984	67,916,783	66,983,984
Sewer	-	-	40,069,004	38,716,017	40,069,004	38,716,017
Golf	-	-	4,680,834	4,650,746	4,680,834	4,650,746
Heliport	-	-	109,340	31,605	109,340	31,605
Storm Water Management	-	-	4,394,660	4,486,235	4,394,660	4,486,235
Parks Performance	-	-	914,428	447,070	914,428	447,070
Sanitation	-	-	22,358,689	20,941,959	22,358,689	20,941,959
Total expenses	251,497,747	254,047,630	466,977,105	456,133,797	718,474,852	710,181,427
Change in net position before transfers	43,169,114	7,730,170	99,709,497	70,282,796	142,878,611	78,012,966
Transfers	42,105,802	38,470,083	(42,105,802)	(38,470,083)	-	-
Increase (decrease) in net position	85,274,916	46,200,253	57,603,695	31,812,713	142,878,611	78,012,966
Net position - beginning	305,857,634	259,657,381	800,663,385	768,850,672	1,106,521,019	1,028,508,053
Net position - ending	$391,132,550	$ 305,857,634	$ 858,267,080	$800,663,385	$1,249,399,630	$ 1,106,521,019

Governmental activities

Governmental activities increased the City's net position by $85,274,916 in fiscal year 2022. Key factors that contributed to this improvement are discussed below.

Revenues by Source – Governmental Activities

Revenues by Source

	2022		2021		Amount	Percentage
	Amount	Percentage	Amount	Percentage	Change	Change
Charges for services	$ 60,848,126	20.65%	$ 51,868,097	19.81%	$ 8,980,029	17.31%
Operating grants and contributions	28,231,559	9.58%	23,114,835	8.83%	5,116,724	22.14%
Capital grants and contributions	14,426,428	4.90%	8,014,890	3.06%	6,411,538	80.00%
Property taxes	138,889,834	47.13%	133,819,570	51.12%	5,070,264	3.79%
Sales taxes	41,173,582	13.97%	35,580,376	13.59%	5,593,206	15.72%
Other taxes	9,930,765	3.37%	9,050,307	3.46%	880,458	9.73%
Unrestricted interest earnings	675,329	0.23%	130,798	0.05%	544,531	416.31%
Miscellaneous	491,238	0.17%	198,927	0.08%	292,311	146.94%
Total Revenues	$294,666,861		$261,777,800		$ 32,889,061	

Key changes in revenue by source included the following:

Charges for services revenue increased $8,980,029. This increase can be attributed to increases in ambulance fee collection, better-than-anticipated tonnage trends at the landfill, Landfill gas-to-energy revenue, and increased building permit fees due to increased construction and redevelopment within the City.

Operating grants and contribution revenue increased $5,116,724 in FY2022 due to increases in COVID Relief grant funding associated with Housing Assistance, Emergency Shelter grant, and Emergency Rental assistance.

Capital grants and contribution revenue increased $6,411,538 due to construction projects which included funding sources from state and local agencies.

Property tax revenue increased $5,070,264 due to an increase of 7.5% from last year's valuation. New constructions account for 1.6% of the increase in property values, while existing properties contributed 5.9%.

Sales tax revenue increased $5,593,206 in FY2022 due to increased collections and better-than-anticipated economic performance.

Unrestricted interest earnings decreased $544,531 in FY22 due to a slow growth in interest rates during the year.

Expenses by Source - Governmental Activities

Expenses by Source

	2022	2021	Change
General government	$ 44,381,242	$ 42,122,789	$ 2,258,453
Public safety	117,578,721	118,229,934	(651,213)
Public works	50,627,594	57,058,678	(6,431,084)
Culture and recreation	25,048,374	24,808,132	240,242
Public health	5,736,694	5,320,061	416,633
Interest and fiscal charges	8,125,122	6,508,036	1,617,086
Total Expense	$ 251,497,747	$ 254,047,630	$ (2,549,883)

Key changes in expenses by source for governmental activities are as follows:

Public Works expenses decreased $6,431,084 in FY2022 due to updates made to the Hinton Landfill closure and post-closure cost study made by an independent engineer and approved by the Texas Commission of Environmental Quality in FY 2021. The updates included closure and post closure cost estimates for the newly constructed Hinton Landfill Cell #8 and #9 which is projected to provide waste capacity for the next ten years. While these closure and post-closure cost will be paid at a future date, after the Hinton Landfill stops collecting waste, the City reports a portion of these costs as an operating expenditure based on landfill capacity used as of each fiscal year end.

General Government expenses increased due to housing assistance and neighborhood services programs. These expenses are directly related to spending of federal grant funding.

Business-type Activities

Business-type activities increased the City's net position by $57,603,695. Key factors that contributed to the change are discussed below.

- The electric utility incurred a net income of $37,019,118. The net income for the electric utility increased $15,114,661 from the prior fiscal year as a result of the following:
  - Proceeds from the sale of the TMPA mine land.
  - Increase in fuel and energy purchases.
  - Increase in interest expense.

- The water utility incurred a net income of $11,115,988. The net income for the water utility increased $5,850,347, from the prior fiscal year as a result of the following:
  - Water consumption increased 13.4% in FY22 from levels experienced in FY21.

- The sewer utility incurred a net income of $4,828,321. The net income for the sewer utility increased $811,645, from the prior fiscal year as a result of the following:
  - Residential and apartment dwelling services increased by 6.0% from the prior fiscal year.
  - Major industrial services increased by 10.2% from FY21.

- The combined net income for non-major enterprise funds (golf, heliport, storm water management, parks performance, and sanitation) amounted to $948,467.

Revenues by Source – Business-type Activities

	Charges for Services			Operating Grants and Contributions		
	2022	2021	Change	2022	2021	Change
Electric	$ 347,199,616	$ 356,541,531	$ (9,341,915)	$ -	$ -	$ -
Water	85,849,164	75,816,909	10,032,255	7,269	784,633	(777,364)
Sewer	51,529,174	48,655,766	2,873,408	-	-	-
Non-major Enterprise	34,226,621	31,208,953	3,017,668	-	70,000	(70,000)
Total	$ 518,804,575	$ 512,223,159	$ 6,581,416	$ 7,269	$ 854,633	$ (847,364)

	Capital Grants and Contributions			Miscellaneous		
	2022	2021	Change	2022	2021	Change
Electric	$ 1,368,316	$ 184,724	$ 1,183,592	$43,242,357	$ 8,356,655	$ 34,885,702
Water	1,598,894	2,397,552	(798,658)	371,216	999,611	(628,395)
Sewer	723,387	919,885	(196,498)	104,413	97,865	6,548
Non-major Enterprise	-	-	-	119,545	93,384	26,161
Total	$ 3,690,597	$ 3,502,161	$ 188,436	$43,837,531	$ 9,547,515	$ 34,290,016

Expenses by Source – Business-type Activities

	2022	2021	Amount Change	Percentage Change
Electric	$326,533,367	$ 319,876,181	$ 6,657,186	2.08%
Water	67,916,783	66,983,984	932,799	1.39%
Sewer	40,069,004	38,716,017	1,352,987	3.49%
Non-Major	32,457,951	30,557,615	1,900,336	6.22%
	$466,977,105	$ 456,133,797	$ 10,843,308	2.38%

Fiduciary funds

In the 2009 fiscal year, the City established an Other Post Employment Benefit Trust Fund which allows the City to capture long-term returns to make progress towards reducing the unfunded liability of post-employment health care. A $1,590,000 contribution in excess of the pay-as-you-go costs was made to the trust fund during the 2022 fiscal year. The City will make future contributions to the trust fund as economic conditions permit to lower the OPEB unfunded actuarial accrued liability and to ensure that funding is available for future retiree medical benefits.

Capital Asset and Debt Administration

Capital Assets

At the end of the 2022 fiscal year, the City had $1,972,016,801 invested in a broad range of capital assets including police and fire equipment, buildings, park facilities, roads, bridges, an electric system, a water system, and a sewer system. This amount represents a net increase of $137,655,418 or 7.50% increase from the prior fiscal year. Key elements of this change are as follows:

Capital Assets at Fiscal Year-end
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 122,685,628	$ 114,659,259	$ 46,288,520	$ 46,121,482	$ 168,974,148	$ 160,780,741
Construction in Progress	218,902,479	130,252,334	71,548,604	73,999,590	290,451,083	204,251,924
Building, Improvements, equipment and systems	338,701,807	344,169,211	1,173,889,763	1,125,159,507	1,512,591,570	1,469,328,718
Total capital assets	$ 680,289,914	$ 589,080,804	$1,291,726,887	$1,245,280,579	$1,972,016,801	$1,834,361,383

Major capital asset additions for the current fiscal year included (amounts rounded to the nearest thousand):

Description	Amount (000's)
Citywide Street Improvements	$ 27,433
GP&L Substation Transmission Equipment	21,703
GP&L Distribution Poles, Transformers, Towers, & US Conductors and Devices	13,926
Duck Creek Odor Abatement	12,702
Sewer Collections Mains	8,977
Sewer Interceptor Rehab	4,909
Environmental Services Equipment	4,827
Citywide Equipment Replacement Program	3,916
GP&L Transmission Poles, OH Conductors and Devices, Fixtures	2,782
Water Distribution Lines	2,722
Radio Read Water Meter Replacement Program	2,605
Rowlett Creek WWTP Effluent Filter Rehabilitation	2,504
Water Transmission Mains	2,375
Relocate Sewer Mains	1,887
Relocate Water Mains	1,696
Sewer Main and Lateral Rehab	1,256
Stormwater Equipment	1,050
Infiltration Correction Improvements	1,043
Firewheel Golf Course Improvements and Equipment	988
GP&L Communications Equipment	979
Library Materials	832
Sanitary Sewer Taps	670
Parks Services Equipment	638
GP&L Substation Distribution Equipment	583

A few of the Capital Improvement Program projects under construction at the end of the current fiscal year included (amounts rounded to the nearest thousand):

Description	Amount (000's)
Shiloh Road	$22,050
Lookout Service for Static Var System	17,742
Animal Shelter Adoption Facility	13,767
Police Evidence Room	11,182
Rick Oden Park Improvements	6,809
Naaman School Road	6,680
Bobtown Road	6,133
Audubon Recreation Center	5,624
Duck Creek WWTP Replacements/Mods.	4,909
Water Pump Station Emerg. Generators	4,757
Design of Hinton Waste Cell #9	4,690
Replace Fire Apparatus	4,605
Banner Upgrade	4,293
Replacement of Landfill Equipment	4,009
Elm Grove Substation Extension	3,878
Downtown Infrastructure	3,630
Downtown Streetscapes	3,612
Downtown Square Design and Construction	3,503
Hinton Waste Cell #8	3,123
Transmission Mains (16-inch and above)	3,038
Parks Trail Development	3,037
North South Bikeway	2,943
Street Reconstruction and Improvement Program	2,563
Relocation of Mains Prior to paving	2,544
Brand-College Transmission	2,522
HR Payroll Implementation	2,514
Relocate for Street Projects	2,471
New Landfill Equipment	2,466

Additional information on the City's capital assets can be found in note IV.C on pages 58-60 of this report.

Debt

Debt issues outstanding for the fiscal years 2022 and 2021 were as follows:

	Governmental Activities		Business-type Activities		Total		
	2022	2021	2022	2021	2022	2021	Change
Long-Term:							
General obligation bonds	$ 202,730,000	$ 170,750,000	$ 15,000	$ 690,000	$ 202,745,000	$ 171,440,000	$ 31,305,000
Certificates of obligation	123,530,000	109,605,000	11,975,000	10,850,000	135,505,000	120,455,000	15,050,000
Utility system revenue bonds	-	-	914,305,000	918,150,000	914,305,000	918,150,000	(3,845,000)
Commercial paper	-	-	80,000,000	57,500,000	80,000,000	57,500,000	22,500,000
Total Long-Term	326,260,000	280,355,000	1,006,295,000	987,190,000	1,332,555,000	1,267,545,000	65,010,000
Short-Term:							
Commercial Paper	30,000,000	31,000,000	-	-	30,000,000	31,000,000	(1,000,000)
Tax Note	36,980,000	29,355,000	-	-	36,980,000	29,355,000	7,625,000
Total Short-Term	66,980,000	60,355,000	-	-	66,980,000	60,355,000	6,625,000
Total outstanding debt	$ 393,240,000	$ 340,710,000	$ 1,006,295,000	$ 987,190,000	$ 1,399,535,000	$ 1,327,900,000	$ 71,635,000

During the fiscal year, the City issued the following debt:

Issue	Principal	Bond Ratings: Standard & Poor's	Bond Ratings: Fitch IBCA
Long-term			
Certificates of Obligation Bonds, Series 2022	$ 29,380,000	AA+	AAA
General Obligation Refunding Bonds, Series 2022	47,200,000	AA+	AAA
General Obligation Bonds, Taxable Series 2022	6,070,000	-	AA-
Water and Sewer System Revenue Refunding Bonds, New Series 2022	44,350,000	AA-	AA
Short-term			
Tax Anticipation Note, Series 2022	36,980,000		
Total debt financing	$163,980,000		

The proceeds of the Certificates of Obligation Bonds, Series 2022 will be used for the following:

- Constructing, equipping, and improving various facilities in the City,
- Acquiring equipment and vehicles for public safety, streets and traffic control, facilities management, drainage, stormwater management, and parks and recreation departments and programs,
- Equipping additions, extensions, renovations, and improvements for the City's sanitation department, including the landfill and transfer station and the acquisition of land and interest in land,
- Street improvements and infrastructure improvements.

The proceeds of the General Obligation Refunding Bonds, Series 2022 were used to takeout $50,000,000 of commercial paper debt, Series 2015 which was utilized to fund the 2004 and 2019 bond programs.

The proceeds of the General Obligation Bonds, Taxable Series 2022 were used to promote economic development throughout the City, through planning, designing, constructing, improving, extending and expanding public street, utility, and other infrastructure facilities, including the acquisition of land therefor, and through the City's programs for economic development, including the acquisition of improved and unimproved properties.

The proceeds of the Water and Sewer System Revenue Refunding Bonds, New Series 2022 were used to refund $4,675,000 of Water & Sewer Revenue Bonds, Series 2012 at the call date and takeout $42,500,000 of commercial paper debt, Series 2015.

In fiscal year 2010, the City along with other TMPA member cities elected to issue bonds based on the percentage of their annual net energy load and placed the proceeds with TMPA. Since the proceeds from the issuance of this debt will benefit the City over future years the City has elected to record an other asset and a corresponding bonds payable liability, reoffering premium, interest

and sinking fund deposit, underwriters discount and issuance cost to record this transaction. The other asset of $138,252,850 is being amortized using a straight-line method over a period of 20 years based on the life of the economic benefit that the City is receiving from this transaction. During the current fiscal year, the City amortized $6,912,645 of the asset resulting in a fiscal year-end balance in other assets of $51,844,818. In February, 2021, the state of Texas experienced an unprecedented weather event causing power outages across the state. As a result, energy and natural gas prices increased dramatically from February 11 to February 24, 2021. The City recorded a Winter Storm Uri regulatory asset of $137,343,717 which will be amortized over thirty years. At September 30, 2022 the regulatory asset had a balance of $130,476,532. Further information related to the other assets are available on pages 86-88.

Additional information on the City's debt can be found in note IV.E of this report.

The City's Funds

At the close of the City's fiscal year, the governmental funds of the City reported a combined fund balance of $141,219,571, an increase of $16,974 055 from the prior fiscal year.

The General Fund ended the fiscal year with a fund balance of $55,367,141 which was an increase of $4,388,392 from the prior fiscal year. The increase in the general fund can be attributed to increases in property tax and sales tax collection. The Debt Service fund ended the fiscal year with a fund balance of $6,644,690 which is a decrease of $1,683,696. The decrease can be attributed to debt service expenses. The Capital Projects Funds ended the fiscal year with a fund balance of $53,203,719 which is an increase of $11,383,799 from the prior fiscal year related to funding of the ongoing capital projects of the City.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2022, the City Council amended the budget for the General Fund on multiple occasions. The amendments were comprised of supplemental appropriations and adjusted budgets. Appropriations are adjusted annually for open purchase orders and various grant awards. Budgets are reviewed and adjusted during the fiscal year to address changing operational and/or economic situations. These amendments amounted to increased appropriations of $277,005.

Economic Factors and Next Year's Budgets and Rates

The City's unemployment rate at September 30, 2022 was 3.4% and the State of Texas unemployment rate was 3.9%. The City's estimated population of 247,590 (as estimated at January 1, 2022 by the City's Planning department) remained virtually unchanged from the prior year.

The budget priorities for FY2021-22 are primarily focused on addressing deferred staffing and operational needs, restoring employee compensation increases, and enhancing maintenance and programs to capitalize on improvements underway as part of the 2019 Bond Program.

These priorities include:

- Address operational staffing needs
- Enhance park operation funding
- Restore employee merit/compensation increases to remain competitive
- Maintain an additional 10 days above the 30-day General Fund balance requirement

To address these priorities, the FY 2021-22 Adopted Budget includes three additional Firefighters and one Police Mental Health Clinician to assist in providing vital public safety services. The Budget includes the addition of an Adoption Specialist and Veterinarian Technician to support the new Animal Shelter facility and three full-time Deputy Marshals for parking enforcement and security at Main Street Municipal Building.

Additional state grants received by the Public Health/Immunization Grant Fund will fund six full-time positions, including medical and social services personnel, to continue our COVID-19 response efforts. The City's utilities will add eight additional positions to meet growing customer needs.

The Budget includes enhancements to park maintenance and operations to support the improvements to park and recreation facilities underway as part of the 2019 Bond Program, such as increased grounds and facility maintenance, additional landscaping, upgraded ballfield maintenance, and a new Aquatics Technician to support splash pads. The budget also includes the restoration of employee merits/compensation increases as well as a vaccination incentive. Finally, to maintain the City's ability to react to unexpected financial shortfalls or emergency needs, the approved budget maintains an additional 10 days' reserve above the 30-day fund balance requirement in the General Fund

The budget priorities for FY2022-23 are primarily focused on rapidly rising inflation which has put considerable pressure on almost every category of City expenditures. Employee compensation has fallen behind rapidly-rising pay levels in the current job market.

With over 200 vacant positions, the City is struggling to attract and retain a quality workforce. Other cost pressures are coming from the need for additional staffing in Fire and significant cost increases for technology-based enhancements in Police. In addition, the successful completion of bond projects comes with the need for expanded operating and maintenance budgets. And finally, given the current economic uncertainty, prudent levels of reserves are needed to ensure financial stability should challenges materialize.

These priorities include:

- Compensation/merit increases to stay competitive in a tight labor market.
- Address the impact of inflation on existing service levels.
- Provide necessary funding to meet Public Safety needs.
- Increase operational funding for completed 2004 and 2019 bond projects.
- Maintain high levels of reserves to respond to unforeseen financial challenges.

To address these priorities, the FY 2022-23 Adopted Budget includes 5.0% compensation merit increases for employees to help the City better compete in an extremely tight labor market. Funding is also included for compensation market studies to specifically address high-demand, hard to fill jobs.

The adopted budget also includes funding for all City funds to address the impacts of inflation which are occurring in operational costs such as fuel and energy, fleet maintenance, equipment replacement, insurance premiums, service contract renewals, chemicals, and mowing and maintenance services.

The Budget includes funding to support maintenance and operation costs needed to support the improvements to facilities underway as part of the 2004 and 2019 bond programs. Examples include facility maintenance, splash pads chemicals, ballfield equipment, and additional food and kennel labor for the increased animal capacity at the new Garland Animal Shelter. Finally, to maintain the City's ability to react to unexpected financial shortfalls or emergency needs, the budget includes an enhanced level of reserves.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Financial Services Department at the City of Garland, 200 North Fifth Street, Garland, TX 75040 or through the City's internet site www.garlandtx.gov.

GARLAND

TEXAS MADE HERE

City of Garland, Texas
Statement of Net Position
September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	As of December 31, 2021
ASSETS				
Cash and cash equivalents	$ 208,379,717	$ 78,741,955	$ 287,121,672	$ 1,957,632
Investments	77,537,308	56,160,411	133,697,719	-
Accounts Receivable, net of allowance for uncollectibles	34,765,468	81,210,055	115,975,523	2,092,785
Due from other governments	646,617	-	646,617	-
Internal Balances	(23,713,961)	23,713,961	-	-
Inventories	8,935,579	5,403,222	14,338,801	-
Prepaid and other items	9,342	574,799	584,141	3,082
Derivative instrument-energy risk management	-	8,110,854	8,110,854	-
Restricted Assets:				
Cash and cash equivalents	55,937,568	244,917,545	300,855,113	-
Investments	39,433	80,474,479	80,513,912	-
Accrued interest	57	95,604	95,661	-
Assets held for resale	277,586	-	277,586	856,526
Other Assets	-	185,281,311	185,281,311	-
Derivative instrument-energy risk management	-	1,084,259	1,084,259	-
Capital Assets:				
Land	122,685,628	46,288,520	168,974,148	22,796,016
Construction in Progress	218,902,479	71,548,604	290,451,083	-
Buildings, Improvements, Equipment and System (net of accumulated depreciation)	338,701,807	1,173,889,763	1,512,591,570	1,469
Net pension assets	45,351,256	16,944,425	62,295,681	-
Total assets	1,088,455,884	2,074,439,767	3,162,895,651	27,707,510
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on debt refunding	28,579	591,557	620,136	-
Deferred charges on pensions	14,709,820	5,493,565	20,203,385	-
Deferred charges on OPEB	14,613,020	5,115,026	19,728,046	-
Deferred charges on ARO	-	396,714	396,714	-
Total deferred outflows of resources	29,351,419	11,596,862	40,948,281	-
LIABILITIES				
Accounts payable and accrued liabilities	27,331,030	32,131,018	59,462,048	-
Escrow payable	607,376	397,069	1,004,445	-
Retainage payable	3,772,835	1,629,751	5,402,586	-
Accrued interest payable	2,472,420	3,783,747	6,256,167	-
Customer deposits	20,075,262	-	20,075,262	-
Collateral Held	-	52,639,170	52,639,170	-
Tax Note Payable	36,980,000	-	36,980,000	-
Commercial Paper	30,000,000	-	30,000,000	-
Unearned revenue	61,595,421	-	61,595,421	13,705,674
Noncurrent Liabilities:				
Due within one year	51,594,030	53,390,403	104,984,433	17,917
Due in more than one year	433,165,810	1,052,612,549	1,485,778,359	10,324,357
Total liabilities	667,594,184	1,196,583,707	1,864,177,891	24,047,948
DEFERRED INFLOWS OF RESOURCES				
Deferred charges on debt refunding	122,583	1,299,624	1,422,207	-
Deferred charges on pensions	53,820,292	20,105,458	73,925,750	-
Deferred charges on OPEB	1,673,126	585,647	2,258,773	-
Deferred charges on derivatives	-	9,195,113	9,195,113	-
Deferred charges on leases	3,464,568	-	3,464,568	-
Total deferred inflows of resources	59,080,569	31,185,842	90,266,411	-
NET POSITION				
Net investment in capital assets	302,387,528	482,719,644	785,107,172	1,141,255
Restricted for:				
Debt Service	4,645,649	8,126,514	12,772,163	-
Construction	2,134,656	-	2,134,656	-
Rate Mitigation	-	241,582,271	241,582,271	-
Housing	4,047,030	-	4,047,030	-
Other Grant Programs	4,436,839	-	4,436,839	-
Unrestricted net position	73,480,848	125,838,651	199,319,499	2,518,307
Total net position	$ 391,132,550	$ 858,267,080	$ 1,249,399,630	$ 3,659,562

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit as of 12/31/2021
Primary Government								
Governmental activities:								
General government	$ 44,381,242	$ 10,147,477	$ 26,091,639	$ 500,000	$ (7,642,126)	$ -	$ (7,642,126)	$ -
Public safety	117,578,721	18,614,940	589,789	-	(98,373,992)	-	(98,373,992)	-
Public works	50,627,594	30,652,914	-	13,926,428	(6,048,252)	-	(6,048,252)	-
Culture and recreation	25,048,374	846,025	3,758	-	(24,198,591)	-	(24,198,591)	-
Public health	5,736,694	586,770	1,546,373	-	(3,603,551)	-	(3,603,551)	-
Interest and fiscal charges	8,125,122	-	-	-	(8,125,122)	-	(8,125,122)	-
Total governmental activities	251,497,747	60,848,126	28,231,559	14,426,428	(147,991,634)	-	(147,991,634)	-
Business-type activities:								
Electric	326,533,367	347,199,616	-	1,368,316	-	22,034,565	22,034,565	-
Water	67,916,783	85,849,164	7,269	1,598,894	-	19,538,544	19,538,544	-
Wastewater	40,069,004	51,529,174	-	723,387	-	12,183,557	12,183,557	-
Golf	4,680,834	4,556,754	-	-	-	(124,080)	(124,080)	-
Heliport	109,340	7,937	-	-	-	(101,403)	(101,403)	-
Storm Water Management	4,394,660	5,046,990	-	-	-	652,330	652,330	-
Parks Performance	914,428	1,224,679	-	-	-	310,251	310,251	-
Sanitation	22,358,689	23,390,261	-	-	-	1,031,572	1,031,572	-
Total business-type activities	466,977,105	518,804,575	7,269	3,690,597	-	55,525,336	55,525,336	-
Total primary government	$ 718,474,852	$ 579,652,701	$ 28,238,828	$ 18,117,025	(147,991,634)	55,525,336	(92,466,298)	-
Component units								
Garland Housing Finance Corp.	$ 1,569,577	$ 1,392,664	$ -	$ -				$ (176,913)
	$ 1,569,577	$ 1,392,664	$ -	$ -				
General revenues:								
Sales taxes					41,173,582	-	41,173,582	-
Franchise fees based on gross receipts					7,668,703	-	7,668,703	-
Property taxes					138,889,834	-	138,889,834	-
Hotel/Motel taxes					1,644,590	-	1,644,590	-
Mixed drink taxes					479,516	-	479,516	-
Bingo taxes					137,956	-	137,956	-
Unrestricted investment earnings					675,329	346,630	1,021,959	275,897
Miscellaneous					491,238	43,837,531	44,328,769	666,833
Transfers					42,105,802	(42,105,802)	-	-
Total general revenues and transfers					233,266,550	2,078,359	235,344,909	942,730
Change in net position					85,274,916	57,603,695	142,878,611	765,817
Net position - beginning					305,857,634	800,663,385	1,106,521,019	2,893,745
Net position-ending					$ 391,132,550	$ 858,267,080	$ 1,249,399,630	$ 3,659,562

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Balance Sheet
September 30, 2022

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 31,932,377	$ 6,586,785	$ 106,837,000	$ 17,865,683	$ 163,221,845
Investments	15,277,983	-	35,660,754	7,331,738	58,270,475
Receivables:					
Accounts, net	20,226,909	-	-	3,523,019	23,749,928
Taxes, net	577,684	568,899	-	-	1,146,583
Accrued interest	58,575	-	71,902	17,092	147,569
Assessments	16,032	-	-	-	16,032
Other	-	-	8,081,903	-	8,081,903
Due from other funds	11,391,785	-	-	-	11,391,785
Due from other governments	287,914	-	-	358,703	646,617
Assets held for resale	-	-	-	277,586	277,586
Total Current Assets	79,769,259	7,155,684	150,651,559	29,373,821	266,950,323
Restricted assets:					
Cash and cash equivalents	-	-	-	55,874,010	55,874,010
Total Restricted Assets	-	-	-	55,874,010	55,874,010
Total Assets	$ 79,769,259	$ 7,155,684	$ 150,651,559	$ 85,247,831	$ 322,824,333
LIABILITIES					
Accounts payable and accrued liabilities	$ 13,914,984	$ 37,615	$ 7,921,877	$ 887,790	$ 22,762,266
Accrued interest-CO's	-	-	-	3,840	3,840
Escrow payable	-	-	28,762	578,614	607,376
Due to other funds	-	-	7,219,729	249,799	7,469,528
Unearned revenues	511,019	-	3,560,635	57,523,767	61,595,421
Retainage payable	79,902	-	3,692,933	-	3,772,835
Tax note payable	-	-	36,980,000	-	36,980,000
Commercial paper	-	-	30,000,000	-	30,000,000
Total Liabilities	14,505,905	37,615	89,403,936	59,243,810	163,191,266
DEFERRED INFLOWS OF RESOURCES	9,896,213	473,379	8,043,904	-	18,413,496
FUND BALANCES					
Fund balances:					
Restricted	2,134,656	6,644,690	45,587,365	8,483,869	62,850,580
Committed	4,451,120	-	-	17,701,835	22,152,955
Assigned	11,446,677	-	7,616,354	-	19,063,031
Unassigned	37,334,688	-	-	(181,683)	37,153,005
Total Fund Balances	55,367,141	6,644,690	53,203,719	26,004,021	141,219,571
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 79,769,259	$ 7,155,684	$ 150,651,559	$ 85,247,831	$ 322,824,333

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2022

Total fund balances - governmental funds	$	141,219,571
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		623,165,627
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.		14,948,928
Net pension asset and deferred outflows related to pensions.		52,190,049
Deferred outflows related to OPEB.		12,229,136
Bond interest is not accrued at the fund level.		(2,333,940)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of:		
Bonds payable		(308,355,000)
Landfill closure costs		(29,464,103)
Compensated absences		(24,519,083)
Unamortized premium on refunding		(19,535,233)
Other Post Employment Benefits liability payable		(58,985,865)
Deferred loss on debt refunding		19,307
Deferred gain on debt refunding		(112,473)
Deferred inflows related to pensions		(46,766,951)
Deferred inflows related to OPEB.		(1,400,182)
Internal service funds net position adjustment excluding assets and liabilities included in the adjustments listed above. Internal service funds are used by management to charge the costs of various services to individual funds. Certain assets and liabilities of the internal service funds are included with governmental activities in the statement of net position.		38,832,762
Total net position - governmental activities	$	391,132,550

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2022

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 110,833,475	$ 67,696,316	$ -	$ 4,301,753	$ 182,831,544
Franchise fees	7,668,703	-	-	-	7,668,703
Service charges	36,423,598	-	-	-	36,423,598
Licenses and permits	7,018,315	-	-	-	7,018,315
Earnings on investments	208,758	66,138	(23,043)	440,297	692,150
Intergovernmental	1,550,131	-	33,382	26,389,041	27,972,554
Charges for services	10,526,736	-	-	-	10,526,736
Fines and forfeits	4,986,774	-	-	-	4,986,774
Rents and concessions	601,317	-	-	-	601,317
Assessments	-	-	79,448	-	79,448
Impact fees	-	-	-	3,270,517	3,270,517
Contributions	-	-	-	500,000	500,000
Program income	-	-	-	381,661	381,661
Court awarded seizures	-	-	-	202,494	202,494
Miscellaneous and other	-	7,991	4,327,986	547,747	4,883,724
Total revenues	179,817,807	67,770,445	4,417,773	36,033,510	288,039,535
EXPENDITURES					
Current:					
General government	13,394,399	-	536,166	-	13,930,565
Public safety	110,364,300	-	-	-	110,364,300
Public works	22,437,962	-	-	-	22,437,962
Culture and recreation	18,877,832	-	-	-	18,877,832
Public health	5,564,432	-	-	-	5,564,432
Nondepartmental	31,464,252	-	-	-	31,464,252
Operations	-	-	-	28,737,560	28,737,560
Capital outlay	27,869,518	-	81,306,780	9,096,586	118,272,884
Debt service:					
Principal	-	30,312,227	-	417,773	30,730,000
Interest	-	10,257,024	-	298,463	10,555,487
Other and fiscal expenditures	-	138,298	792,697	-	930,995
Total expenditures	229,972,695	40,707,549	82,635,643	38,550,382	391,866,269
Excess (deficiency) of revenues over (under) expenditures	(50,154,888)	27,062,896	(78,217,870)	(2,516,872)	(103,826,734)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	194,853	-	-	-	194,853
Transfers in	59,642,593	685,471	37,881,203	8,051,869	106,261,136
Transfers out	(5,294,166)	(29,432,063)	(29,315,862)	(2,649,437)	(66,691,528)
Issuance of debt	-	-	76,150,000	-	76,150,000
Premium on issuance of debt	-	-	4,886,328	-	4,886,328
Total other financing sources (uses)	54,543,280	(28,746,592)	89,601,669	5,402,432	120,800,789
Net change in fund balances	4,388,392	(1,683,696)	11,383,799	2,885,560	16,974,055
Fund balances - beginning	50,978,749	8,328,386	41,819,920	23,118,461	124,245,516
Fund balances - ending	$ 55,367,141	$ 6,644,690	$ 53,203,719	$ 26,004,021	$ 141,219,571

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ 16,974,055
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	89,814,226
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	7,466,247
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(48,897,616)
Other long-term liabilities related to pension expense and contributions, are not due and payable in the current period and therefore, are not reported in governmental funds.	16,671,255
Other Post Employment Benefits liability is accrued in the government wide financial statements but not at the fund level.	(1,739,474)
Interest is accrued in the government wide financial statements but not at the fund level. This represents the change in the accrual during the period.	(978,165)
Internal service funds are used by management to charge the costs of vehicle services, building services, printing services, and insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	5,964,388
Net change in net position-total governmental activities	$ 85,274,916

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Net Position
September 30, 2022

	Business-type Activities					Governmental Activities
	Electric	Water	Wastewater	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 43,228,970	$ 17,339,273	$ 14,674,071	$ 3,499,641	$ 78,741,955	$ 45,157,872
Investments	40,931,854	7,392,911	6,329,830	1,505,816	56,160,411	19,266,833
Receivable, net of allowance	61,020,005	10,202,350	6,925,946	2,997,824	81,146,125	1,582,777
Accrued interest	41,706	9,826	9,214	3,184	63,930	40,676
Inventories	5,357,396	-	-	45,826	5,403,222	8,935,579
Prepaid expense	574,799	-	-	-	574,799	9,342
Derivative instruments-energy risk management	8,110,854	-	-	-	8,110,854	-
Total current assets	159,265,584	34,944,360	27,939,061	8,052,291	230,201,296	74,993,079
Noncurrent Assets:						
Restricted assets						
Revenue bond reserve fund:						
Cash and cash equivalents	-	3,531,945	4,594,569	-	8,126,514	-
Total revenue bond reserve fund	-	3,531,945	4,594,569	-	8,126,514	-
Rate mitigation:						
Cash and cash equivalents	163,218,190	-	-	-	163,218,190	-
Investments	78,273,158	-	-	-	78,273,158	-
Accrued interest	90,923	-	-	-	90,923	-
Total rate mitigation	241,582,271	-	-	-	241,582,271	-
Collateral:						
Cash and cash equivalents	52,639,170	-	-	-	52,639,170	-
Total collateral	52,639,170	-	-	-	52,639,170	-
Construction funds:						
Cash and cash equivalents	10,446,172	4,211,861	3,240,719	3,034,919	20,933,671	63,557
Investments	421,384	78,551	414,597	1,286,789	2,201,321	39,433
Accrued interest	980	177	1,077	2,447	4,681	57
Total construction funds	10,868,536	4,290,589	3,656,393	4,324,155	23,139,673	103,047
Other Assets	185,281,311	-	-	-	185,281,311	-
Advance to other funds	3,896,269	-	-	-	3,896,269	-
Net pension assets	10,017,146	1,800,345	2,448,220	2,678,714	16,944,425	5,943,007
Derivative instruments - energy risk management	1,084,259	-	-	-	1,084,259	-
Total other assets	200,278,985	1,800,345	2,448,220	2,678,714	207,206,264	5,943,007
Capital Assets:						
Land	30,686,148	1,807,965	2,338,807	11,455,600	46,288,520	358,759
Buildings, improvements, equipment and systems	946,538,384	358,660,813	574,701,504	54,644,762	1,934,545,463	136,896,216
Construction in progress	42,307,344	14,108,203	14,848,457	284,600	71,548,604	15,059,631
Less accumulated depreciation	(273,544,387)	(150,788,967)	(297,657,935)	(38,664,411)	(760,655,700)	(95,190,319)
Net capital assets	745,987,489	223,788,014	294,230,833	27,720,551	1,291,726,887	57,124,287
Total noncurrent assets	1,251,356,451	233,410,893	304,930,015	34,723,420	1,824,420,779	63,170,341
Total Assets	1,410,622,035	268,355,253	332,869,076	42,775,711	2,054,622,075	138,163,420
Deferred Outflows of Resources						
Deferred charges on debt refundings	490,743	37,026	63,766	22	591,557	9,272
Deferred charges on pensions	3,248,753	583,401	793,115	868,296	5,493,565	1,928,020
Deferred charges on OPEB	2,355,727	610,049	957,308	1,191,942	5,115,026	2,383,884
Deferred charges on ARO	396,714	-	-	-	396,714	-
Total deferred outflows	6,491,937	1,230,476	1,814,189	2,060,260	11,596,862	4,321,176

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Net Position
September 30, 2022

	Business-type Activities					Governmental Activities
	Electric	Water	Wastewater	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES						
Current liabilities:						
Payable from current assets						
Accounts payable and accrued liabilities	$ 23,819,948	$ 650,765	$ 726,977	$ 1,013,080	$ 26,210,770	$ 4,566,867
Due to other funds	-	-	-	148,330	148,330	3,773,927
Insurance claims payable	-	-	-	-	-	5,948,418
Accrued interest payable:						
General obligation bonds	-	-	-	83	83	75,984
Certificates of obligation	-	-	-	118,436	118,436	58,654
Revenue bonds	2,345,687	588,725	730,816	-	3,665,228	-
Customer deposits	-	-	-	-	-	20,075,262
General obligation bonds (net of unamortized premium)	-	-	-	-	-	1,605,000
Certificates of obligation	-	-	-	3,165,000	3,165,000	775,000
Revenue bonds	28,045,000	8,060,000	11,370,000	-	47,475,000	-
Leases payable-current portion	98,477	-	-	-	98,477	-
Compensated absences	1,519,653	272,905	477,712	381,656	2,651,926	942,286
Total current liabilities	55,828,765	9,572,395	13,305,505	4,826,585	83,533,250	37,821,398
Long-term liabilities:						
Payable from restricted assets						
Accounts payable	2,215,934	1,675,897	2,006,817	21,600	5,920,248	1,898
Retainage payable	218,167	511,794	891,867	7,923	1,629,751	-
Collateral payable	52,639,170	-	-	-	52,639,170	-
Escrow payable	375,919	21,150	-	-	397,069	-
Total payable from restricted assets	55,449,190	2,208,841	2,898,684	29,523	60,586,238	1,898
Advances from other funds	-	-	-	-	-	3,896,269
Revenue bonds payable (net of unamortized premium)	710,893,763	106,832,028	118,941,565	-	936,667,356	-
Certificates of obligation (net of unamortized premium)	-	-	-	9,573,890	9,573,890	5,424,512
General obligation bonds (net of unamortized premium)	-	-	-	15,823	15,823	11,354,334
Commercial paper	60,000,000	7,000,000	13,000,000	-	80,000,000	-
Leases payable	115,276	-	-	-	115,276	-
Insurance claims payable	-	-	-	-	-	6,067,514
Asset retirement obligations	555,441	-	-	-	555,441	-
Net OPEB liability	11,362,589	2,942,503	4,617,466	5,749,198	24,671,756	11,498,396
Compensated absences	751,798	46,301	76,521	138,387	1,013,007	285,096
Total other liabilities	783,678,867	116,820,832	136,635,552	15,477,298	1,052,612,549	38,526,121
Total non-current liabilities	839,128,057	119,029,673	139,534,236	15,506,821	1,113,198,787	38,528,019
Total Liabilities	894,956,822	128,602,068	152,839,741	20,333,406	1,196,732,037	76,349,417
Deferred Inflows of Resources						
Deferred charges on debt refundings	963,720	174,992	160,912	-	1,299,624	10,110
Deferred charges on pensions	11,887,325	2,135,817	2,904,110	3,178,206	20,105,458	7,053,341
Deferred charges on OPEB	269,720	69,848	109,607	136,472	585,647	272,944
Deferred charges on derivatives	9,195,113	-	-	-	9,195,113	-
Total deferred inflows of resources	22,315,878	2,380,657	3,174,629	3,314,678	31,185,842	7,336,395
NET POSITION						
Net investment in capital assets	208,018,403	103,860,918	151,579,831	19,260,492	482,719,644	38,065,752
Restricted for:						
Debt service	-	3,531,945	4,594,569	-	8,126,514	-
Rate mitigation	241,582,271	-	-	-	241,582,271	-
Unrestricted	50,240,598	31,210,141	22,494,495	1,927,395	105,872,629	20,733,032
Total net position	$ 499,841,272	$ 138,603,004	$ 178,668,895	$ 21,187,887	838,301,058	$ 58,798,784
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.					19,966,022	
Net position of business type activities					$ 858,267,080	

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2022

	Business-type Activities					Governmental Activities
	Electric	Water	Wastewater	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:						
Charges for services	$ 347,199,616	$ 85,849,164	$ 51,529,174	$ 34,226,621	$ 518,804,575	$ 63,794,077
Insurance premiums	-	-	-	-	-	47,390,588
Other	9,705,700	371,216	104,413	119,545	10,300,874	6,461,613
Total Operating Revenues	356,905,316	86,220,380	51,633,587	34,346,166	529,105,449	117,646,278
OPERATING EXPENSES:						
Salaries and benefits	21,559,021	4,948,184	8,962,489	10,852,157	46,321,851	20,632,929
TMPA charges	1,339,554	-	-	-	1,339,554	-
Amortization of other assets	11,563,323	-	-	-	11,563,323	-
Energy and fuel purchases	211,141,569	-	-	-	211,141,569	-
Water purchases	-	39,829,671	-	-	39,829,671	-
Landfill fees	-	-	-	3,339,978	3,339,978	-
Maintenance, repairs, and other	16,209,513	5,387,845	8,468,496	9,608,157	39,674,011	26,146,069
Insurance and other expenses	4,312,302	564,310	856,395	894,420	6,627,427	-
General and administrative	17,000,597	5,479,730	5,554,749	2,940,498	30,975,574	7,301,609
Capitalized general and administrative	-	(122,533)	(431,182)	-	(553,715)	-
Premiums	-	-	-	-	-	11,142,651
Claims	693,650	176,773	279,025	328,114	1,477,562	34,501,272
Administrative services	-	-	-	-	-	810,818
Depreciation	22,471,241	9,255,864	13,669,250	4,619,869	50,016,224	10,025,321
Total Operating Expenses	306,290,770	65,519,844	37,359,222	32,583,193	441,753,029	110,560,669
Total Operating Income (Loss)	$ 50,614,546	$ 20,700,536	$ 14,274,365	$ 1,762,973	$ 87,352,420	$ 7,085,609
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	$ -	$ 7,269	$ -	$ -	$ 7,269	$ -
Gain (loss) on disposal of capital assets	(2,137,497)	4,850	-	26,001	(2,106,646)	472,774
Other	33,536,657	-	-	-	33,536,657	-
Investment income	226,398	44,050	73,568	2,614	346,630	(16,821)
Interest expense	(20,681,631)	(2,941,616)	(3,027,818)	(158,166)	(26,809,231)	(421,567)
Income (loss) before transfers and contributions	61,558,473	17,815,089	11,320,115	1,633,422	92,327,099	7,119,995
Capital contributions	1,368,316	1,598,894	723,387	-	3,690,597	-
TRANSFERS						
Transfers in	75,000	22,000	36,000	1,031,000	1,164,000	2,553,129
Transfers out	(25,982,671)	(8,319,995)	(7,251,181)	(1,715,955)	(43,269,802)	(16,935)
Net transfers	(25,907,671)	(8,297,995)	(7,215,181)	(684,955)	(42,105,802)	2,536,194
NET INCOME (LOSS)	37,019,118	11,115,988	4,828,321	948,467	53,911,894	9,656,189
Net position, beginning of year	462,822,154	127,487,016	173,840,574	20,239,420	784,389,164	49,142,595
Net position, end of year	$ 499,841,272	$ 138,603,004	$ 178,668,895	$ 21,187,887	838,301,058	$ 58,798,784
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue of certain internal service funds is reported with business type activities					3,691,801	
Change in net position of business-type activities					$ 57,603,695	

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2022

	Business-type Activities					Governmental Activities
	Electric	Water	Wastewater	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	$ 351,974,479	$ 83,790,827	$ 50,134,820	$ 33,936,103	$ 519,836,229	$ 110,965,346
Cash received for customer deposit	41,334,497	-	-	-	41,334,497	1,314,170
Cash paid to suppliers	(255,706,969)	(50,881,736)	(14,766,837)	(16,625,331)	(337,980,873)	(81,351,758)
Cash paid to employees for services	(25,865,784)	(5,765,373)	(10,031,639)	(11,957,234)	(53,620,030)	(24,111,852)
Other operating revenues	9,705,700	371,216	104,413	119,545	10,300,874	6,461,613
Net cash provided by operating activities	121,441,923	27,514,934	25,440,757	5,473,083	179,870,697	13,277,519
Cash flows from noncapital financing activities:						
Due to other funds increase (decrease)	-	-	-	(48,498)	(48,498)	1,872,236
Transfers in	75,000	22,000	36,000	1,031,000	1,164,000	2,553,129
Transfers out	(25,982,671)	(8,319,995)	(7,251,181)	(1,715,955)	(43,269,802)	(16,935)
Net cash provided by (used for) noncapital financing activities	(25,907,671)	(8,297,995)	(7,215,181)	(733,453)	(42,154,300)	4,408,430
Cash flows from capital and related financing activities:						
Proceeds from sales of:						
Certificates of obligation	-	-	-	4,130,000	4,130,000	2,370,000
Revenue bonds	-	14,135,000	25,915,000	-	40,050,000	-
Refunding bonds	-	4,300,000	-	-	4,300,000	-
Premium on issuance of debt	-	1,450,097	1,824,125	254,758	3,528,980	146,143
Commercial paper	35,000,000	12,000,000	18,000,000	-	65,000,000	-
Acquisition and construction of capital assets	(51,993,504)	(14,786,544)	(23,892,503)	(3,454,345)	(94,126,896)	(11,499,516)
Principal paid on:						
Revenue bonds	(25,565,000)	(7,615,000)	(10,340,000)	-	(43,520,000)	-
Certificates of obligation	-	-	-	(3,005,000)	(3,005,000)	(355,000)
General obligation bonds	-	(225,000)	(450,000)	-	(675,000)	(1,530,000)
Payment to escrow agent	-	(4,714,558)	-	-	(4,714,558)	-
Lease	(98,254)	-	-	-	(98,254)	-
Commercial paper	-	(15,000,000)	(27,500,000)	-	(42,500,000)	-
Interest paid on:						
Revenue bonds	(28,769,143)	(3,925,243)	(4,266,576)	-	(36,960,962)	-
Certificates of obligation	-	-	-	(476,300)	(476,300)	(157,219)
General obligation bonds	-	(5,626)	(11,250)	(651)	(17,527)	(632,899)
Commercial paper	(730,024)	(313,328)	(355,627)	-	(1,398,979)	-
Collateral Held	(577,581)	-	-	-	(577,581)	-
Lease	(746)	-	-	-	(746)	-
Bond issue expense	-	39,558	-	-	39,558	-
Proceeds from sale of TMPA mine	33,536,656	-	-	-	33,536,656	-
Contributions	-	87,095	37,181	-	124,276	-
Proceeds from sales of assets	8,901	4,850	-	26,000	39,751	551,992
Net cash used for capital and related financing activities	(39,188,695)	(14,568,699)	(21,039,650)	(2,525,538)	(77,322,582)	(11,106,499)

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2022

	Business-type Activities					Governmental Activities
	Electric	Water	Wastewater	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from investing activities:						
Purchase of investment securities	(94,153,741)	(7,153,865)	(5,946,225)	(2,929,686)	(110,183,517)	(17,414,288)
Proceeds from sale and maturities of investment securities	31,835,414	3,300,437	3,914,645	1,608,547	40,659,043	10,117,963
Interest received on investments	135,607	43,997	76,940	2,429	258,973	(14,425)
Net cash used for investing activities	(62,182,720)	(3,809,431)	(1,954,640)	(1,318,710)	(69,265,501)	(7,310,750)
Net increase (decrease) in cash and cash equivalents	(5,837,163)	838,809	(4,768,714)	895,382	(8,871,686)	(731,300)
Cash and cash equivalents at beginning of the year	275,369,665	24,244,270	27,278,073	5,639,178	332,531,186	45,952,729
Cash and cash equivalents at end of the year	$ 269,532,502	$ 25,083,079	$ 22,509,359	$ 6,534,560	$ 323,659,500	$ 45,221,429
Reconciliation to Statement of Net Position						
Cash and cash equivalents	$ 43,228,970	$ 17,339,273	$ 14,674,071	$ 3,499,641	$ 78,741,955	$ 45,157,872
Revenue bond cash and cash equivalents	-	3,531,945	4,594,569	-	8,126,514	-
Rate mitigation cash and cash equivalents	163,218,190	-	-	-	163,218,190	-
Collateral cash and cash equivalents	52,639,170	-	-	-	52,639,170	-
Construction fund cash and cash equivalents	10,446,172	4,211,861	3,240,719	3,034,919	20,933,671	63,557
Total cash and cash equivalents	$ 269,532,502	$ 25,083,079	$ 22,509,359	$ 6,534,560	$ 323,659,500	$ 45,221,429
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating income	$ 50,614,546	$ 20,700,536	$ 14,274,365	$ 1,762,973	$ 87,352,420	$ 7,085,609
Adjustments:						
Depreciation/amortization expense	22,471,241	9,255,864	13,669,250	4,619,869	50,016,224	10,025,321
Amortization of other assets	11,563,323	-	-	-	11,563,323	-
Change in allowance for uncollectible accounts	55,516	(6,307)	(4,673)	9,569	54,105	(22,725)
Change in assets and liabilities						
Decrease in pension related deferred outflows	400,938	72,059	97,991	107,216	678,204	237,870
Increase in OPEB related deferred outflows	(406,302)	(105,218)	(165,111)	(205,580)	(882,211)	(411,159)
(Increase) decrease in accounts receivable	4,719,347	(2,052,030)	(1,389,681)	(300,087)	977,549	(196,595)
(Increase) decrease in inventory	24,319	-	-	5,993	30,312	(2,236,391)
Increase in net pension assets	(10,017,146)	(1,800,345)	(2,448,220)	(2,678,714)	(16,944,425)	(5,943,007)
Increase in other assets	(1,152,773)	-	-	-	(1,152,773)	-
Decrease in net pension liability	(1,836,054)	(329,987)	(448,737)	(490,985)	(3,105,763)	(1,089,302)
(Increase) decrease in other prepaid expense	614,414	-	-	-	614,414	(9,342)
Increase (decrease) in accounts payable	(4,830,824)	327,036	(175,521)	310,303	(4,369,006)	(798,257)
Increase in escrow payable	-	20,250	-	-	20,250	-
Increase (decrease) in compensated absences	(69,112)	(55,571)	(33,456)	28,126	(130,013)	38,884
Increase in customer deposits	41,334,497	-	-	-	41,334,497	1,314,170
Increase in OPEB liability	919,302	238,066	373,580	465,144	1,996,092	930,288
Increase in insurance claims payable	-	-	-	-	-	251,890
Increase in pension related deferred inflows	7,214,611	1,296,656	1,763,273	1,929,279	12,203,819	4,280,311
Decrease in OPEB related deferred inflows	(177,920)	(46,075)	(72,303)	(90,023)	(386,321)	(180,046)
Total adjustments	70,827,377	6,814,398	11,166,392	3,710,110	92,518,277	6,191,910
Net cash provided by operating activities	$ 121,441,923	$ 27,514,934	$ 25,440,757	$ 5,473,083	$ 179,870,697	$ 13,277,519
Noncash investing, capital and financing activities:						
Contributions from developers	1,368,316	1,511,799	686,206	-	3,566,321	-
Increase in fair value of investments	2,470,728	163,713	147,556	61,686	2,843,683	424,405
Change in restricted accounts payable	958,896	63,653	(267,694)	(5,180)	749,675	(102)

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2022

	Other Post Employment Benefits Trust Fund
Assets	
Investments:	
Equity mutual funds	$ 5,378,027
Fixed income mutual funds	5,846,869
Money market fund	644,509
Total investments	11,869,405
Total assets	$ 11,869,405
Net Position	
Net Position restricted for other post employment benefits	11,869,405
Total net position	$ 11,869,405

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2022

	Other Post Employment Benefits Trust Fund
Additions	
Investment earnings	$ 1,242,249
Investment costs	(3,528,080)
Net investment costs	(2,285,831)
Employer contributions	6,826,969
Total additions	4,541,138
Deductions	
Administrative expenses	68,168
Payments to beneficiaries	5,236,969
Total deductions	5,305,137
Change in net position	(763,999)
Net position, beginning of year	12,633,404
Net position, end of year	$ 11,869,405

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and eight-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

Discretely Presented Component Unit
The Garland Housing Finance Corporation (GHFC) was organized to finance the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the City at affordable prices. GHFC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. GHFC is reported as a proprietary entity and maintains their accounts on an accrual basis of accounting. On October 1, 2012, GHFC hired an outside accounting firm to conduct their bookkeeping and accounting. The financial information for GHFC is included in the statements for the period of January 1, 2021 through December 31, 2021. Complete separate December 31, 2021 financial statements for GHFC may be obtained from the City.

Blended Component Units
The Garland Foundation for Development (GFFD) was organized to promote economic development within the City of Garland. The City Council serves as the board members for GFFD and the Assistant City Manager is the Executive Director. GFFD is reported as a blended component unit of the non-major governmental funds.

In 2018, the City of Garland created the Garland Public Facility Corporation (GPFC) as a public facility corporation under Chapter 303 of the Texas Local Development Code. The GPFC was organized exclusively for the purpose of assisting the City in financing, refinancing, or providing public facilities. The Mayor and City Council serves as the board members of the GPFC. GPFC is reported as a blended component unit of the non-major governmental funds.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers sales tax revenue to be available if they are collected within 30 days of the end of the current fiscal period and all other revenues available if they are collected within 60 days of the end of the annual fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, actuarially determined pension and OPEB expenses, and claims and judgments, are recorded only when payment is due. Grant revenues are recognized as revenues when all eligibility requirements are met.

Property taxes, franchise fees, licenses, mowing liens, sales taxes, EMS fees, court fines, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent they are available as defined above. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major proprietary funds:

The Electric Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide electric service for the residents of the City.

The Water Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide water service for the residents of the City.

The Wastewater Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide wastewater treatment service for the residents of the City.

Additionally, the City reports the following fund categories:

Special revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. These specific revenue sources are Community Development Block Grants, Housing Assistance Grants, Neighborhood Services Grants and Funding, Hotel/Motel Tax, Impact Fees, Landfill Closure Funding, Police Training, Substandard Perimeter Road Funding, Narcotic Seizure Funding, Tax Increment Finance funds, Treasury Department grant funds, GFFD, and GPFC.

The City's nonmajor enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that costs of providing goods and services to the general public on a continuing basis will be financed or recovered through user charges. These funds are the Golf Fund, the Heliport Fund, the Storm Water Management Fund, the Parks Performance Fund, and the Sanitation Fund.

Internal service funds account for group health, self-insurance, long-term disability, fleet services, vehicle replacement, information technology, facilities management, warehouse, and customer services to other departments of the City on a cost reimbursement basis.

The Other Post-Employment Benefits trust fund accounts for the activities of the trust fund which accumulates resources for OPEB related benefits, and is excluded from the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's electric, water, Wastewater, sanitation, and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and Wastewater systems. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes and the City Council approved investment policy authorize the City to invest in obligations of the Agencies and Instrumentalities of the U.S. Treasury, commercial paper, FDIC insured Certificates of Deposit, repurchase agreements, reverse repurchase agreements, SEC registered no-load money market mutual funds, and investment pools.

The deposits and investments of the OPEB trust fund are held separately from those of other City funds by an outside trustee appointed by the City.

Investments for the primary government, as well as for its component units, are reported at fair value. The Texpool and TexStar investment pools operate in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectible accounts for utility billing is estimated based on collection experience. All other allowance for uncollectible accounts is based on accounts outstanding in excess of 360 days of the invoice date and collection experience. The property tax receivable allowance is based on the average collection rate of delinquent taxes over the last five years.

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established by the Dallas Central Appraisal District at 100% of estimated market value. Property taxes attach an enforceable lien on property as of January 1. Taxes are due immediately following the October 1 levy date and are considered delinquent after January 31 of the following year. Penalty and interest are charged at 7% on delinquent taxes beginning February 1 and increases each month to 18% on July 1. After all collection efforts have failed, the City files suit to collect the delinquent taxes.

In Texas, countywide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews by the appraisal district through various appeals and, if necessary, legal action. Under this system the City sets tax rates on property within the City. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

3. Inventories and prepaid items

All inventories are valued at average cost and consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are accounted for under the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

Certain proceeds of the City's general obligation bonds, certificates of obligation, and revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet or statement of net position because their use is limited by applicable bond covenants or they are maintained in separate bank accounts due to City Charter requirements. The "rate mitigation" account is used to report resources set aside to subsidize potential deficiencies from Electric Fund operations that could adversely affect rates that are charged to customers. The "revenue bond construction" accounts are used to report those proceeds of revenue bond issuances that are restricted for use in construction of assets. The "collateral" account is used to report resources set aside for collateral held from other entities.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the City as tangible or intangible assets used in operations with an initial useful life in excess of one year. Capital asset values are established on a department by department basis where the initial asset cost is $5,000 and above.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value for buildings excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond 40 years. The reported value for infrastructure includes all upgrades and is depreciated over a useful life of 15-50 years. In the case of contributed assets, the City values these capital assets at the acquisition value of the item at the date of its contribution.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets for the electric fund is included as part of the capital value of the electric assets constructed. The total interest expense by the City during the current year was $39,015,994. Of this amount, $1,229,709 was included as part of the cost of capital assets under construction in connection with electric construction projects.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	15 – 40
Improvements other than buildings	5 – 15
Equipment	2 – 10
Systems and Infrastructure	15 – 50

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Employees are reimbursed upon termination for accumulated vacation and only non-exempt employees are reimbursed for compensatory time. Employees are not reimbursed upon termination for accumulated sick leave except for police and firefighters who are reimbursed up to a maximum of 90 days accumulated sick leave. The liabilities for these amounts are accrued as they are incurred in the government-wide and proprietary fund financial statements.

7. Long-term obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

8. Classifications of Fund balance

Fund balances for governmental funds are reported in classifications that demonstrate the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The governmental fund classifications are as follows:

Nonspendable – The portion of fund balance that cannot be spent because it is either (a) not in spendable form, such as inventories and prepaid items, or (b) legally or contractually required to be maintained intact.
Restricted – The portion of fund balance that is restricted for specific purposes due to constraints imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
Committed – The portion of fund balance that can only be used for specific purposes by the City's highest level of decision-making authority, the City Council, and are imposed by the City Council through an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until an ordinance is imposed to remove or revise the limitation.
Assigned – The portion of the fund balance that is constrained by the City's intent for specific purposes, but are not restricted or committed. In fund balance policy, the City Council delegates authority to the Director of Finance or the Director of Finance's designee to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
Unassigned – The portion of the fund balance that is not restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned funds balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, if expenditures incurred for specific purposes exceed the amounts that are not restricted, committed, or assigned to this purpose, it may be necessary to report a negative fund balance in that fund.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

In order to remain financially strong and provide a framework for prudent financial management, the City maintains a minimum unassigned fund balance goal in the General fund of 30 days of budget-based operating expenditures.

Fund balances for governmental funds as of September 30, 2022 are:

Fund Balance	*General Fund*	*Debt Service*	*Capital Projects*	*Other Nonmajor Governmental Funds*	*Total Governmental Funds*
Restricted:					
General government	$ 2,134,656	$ -	$ -	$ 4,036,577	$ 6,171,233
Debt service	-	6,644,690	-	-	6,644,690
Public facilities	-	-	45,587,365	-	45,587,365
Housing assistance	-	-	-	4,047,030	4,047,030
Public safety	-	-	-	400,262	400,262
Total Restricted	2,134,656	6,644,690	45,587,365	8,483,869	62,850,580
Committed:					
General government	1,821,663	-	-	-	1,821,663
Public works and infrastructure	2,629,457	-	-	17,701,835	20,331,292
Total Committed	4,451,120	-	-	17,701,835	22,152,955
Assigned:					
General government	11,446,677	-	7,616,354	-	19,063,031
Total Assigned	11,446,677	-	7,616,354	-	19,063,031
Unassigned	37,334,688	-	-	(181,683)	37,153,005
Total fund balance	$ 55,367,141	$ 6,644,690	$ 53,203,719	$ 26,004,021	$ 141,219,571

9. Fund net position

In the fund financial statements, proprietary funds report restricted net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

10. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – The deferred charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt.
- Pension and OPEB contributions subsequent to measurement date – The deferred charges result from contributions made after the measurement date of the plans to the current fiscal year end. These charges will be recognized in the subsequent fiscal year end.
- Difference in expected and actual economic experience – The difference is deferred and will be amortized as a component of pension and OPEB expense over the estimated average remaining lives of all members determined as of measurement date.
- Difference in assumption changes – The difference is deferred and amortized over estimated average remaining lives of all members determined as of measurement date.
- Deferred charges on asset retirement obligation – The deferred charge will be recognized as an outflow of resources over the remaining estimated useful life of the asset.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that quality for reporting in this category:

- Fair value of energy risk derivative instruments – The deferred charge represents fuel swap hedging activity and is calculated as the difference between the closing futures price at the end of the reporting period, and the futures price at the time the positions were established.
- Deferred charges on refunding – The deferred charge results from the difference in carry value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt.
- Difference in expected and actual economic experience – The difference is deferred and will be amortized as a component of pension and OPEB expense over the estimated average remaining lives of all members determined as of measurement date.
- Difference in projected and actual earnings – The difference is deferred and will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.
- Difference in assumption changes – The difference is deferred and amortized over estimated average remaining lives of all members determined as of measurement date.
- Deferred inflows at the fund level – The deferred inflow on the governmental fund statement represents unavailable revenue at year end.
- Deferred inflows on leases – The deferred inflow on the governmental fund statement represents the remaining lease revenue receivable at fiscal year-end.

11. Leases

Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset) reported with other capital assets, in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonable certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonable certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor

The City is a lessor for noncancellable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

12. New accounting principles

The City implemented the following new GASB standards during the fiscal year ended September 30, 2022:

The GASB has issued Statement No. 87 *"Leases"* (GASB 87), which will be effective in fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance of consistency of information about governments' leasing activities. The City implemented this statement in the current fiscal year.

The GASB has issued Statement No. 92, *"Omnibus 2020"* ("GASB 92"), which will be effective in fiscal year 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB statements. The City implemented this statement in the current fiscal year.

The GASB has issued Statement No. 93, *"Replacement of Interbank Offered Rates"* ("GASB 93"), which will be effective in fiscal year 2022. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). This statement achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of the hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a secured overnight financing rate and the effective federal funds rate as appropriate benchmark interest rates for the qualitative evaluation of an interest rate swap, and (6) clarifying the definition of reference rate, as it is used in statement 53 as amended. The statement also provides an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The City implemented this statement in the current fiscal year.

The GASB has issued Statement No. 97, *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB statements No. 14 and No. 84, and a supersession of GASB statement No. 32"* ("GASB 97") which will be effective in fiscal year 2022. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements. The City implemented this statement in the current fiscal year.

GASB issued the following new accounting standards that are expected to be implemented by the City in future years:

The GASB has issued Statement No. 91, *"Conduit Debt Obligations"* ("GASB 91"), which will be effective in fiscal year 2023. The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing stands for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"* ("GASB 94"), which will be effective in fiscal years 2023. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 96, *"Subscription-Based Information Technology Arrangements"* ("GASB 96"), which will be effective in fiscal year 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 99, *"Omnibus 2022"* ("GASB 99"), which will be effective in fiscal years 2023 and 2024. The objective of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 100, *"Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62"* (GASB 100), which will be effective in fiscal year 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 101, *"Compensated Absences"* (GASB 101), which will be effective in fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City has not yet evaluated the impact of the implementation of this standard.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $308,355,000 difference is as follows:

General Obligation bonds – General Government portion	$190,635,000
Certificates of Obligation – General Government portion	117,720,000
Net adjustment to reduce *fund balance – total governmental funds* to arrive at net position – governmental activities	$308,355,000

The portion of Certificates of Obligation amounting to $2,370,000 was issued for Internal Service fund projects.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between *net changes in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this ($48,897,616) difference are as follows:

Debt issued or incurred:	
Issuance of certificate of obligation – Governmental Funds	$ (22,880,000)
Issuance of general obligation bonds – Governmental Funds	(53,270,000)
Net premium on issuance of bonds	(4,886,328)
Principal repayments:	
General obligation debt	19,760,000
Certificates of obligation	10,970,000
Amortization of bond premium	4,761,092
Change in landfill closure liability	(3,312,182)
Change in compensated absences liability	(40,198)
Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*	$ (48,897,616)

Another element of that reconciliation states that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period." The details of this $89,814,226 difference are as follows:

Capital outlays	$ 118,272,884
Developers contributions	2,227,195
General Fund expense outlays	2,133,149
Depreciation expense	(32,771,679)
Proceeds from disposal of assets	(194,853)
Loss on disposal of assets	147,530
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*	$ 89,814,226

III. Stewardship, compliance, and accountability

Deficit fund equity

The Landfill Closure Fund deficit of $151,264 is due to an accrual of expenditures associated with the ongoing closure cost at the Castle Landfill. This deficit will be eliminated during budget year 2023.

The Police Training Fund deficit of $30,419 is a result of expenses that will be reimbursed during fiscal year 2023 by grant funding.

The Self-Insurance Fund deficit of $420,323 is a result of an accrual of claims incurred but not reported of $5,654,887. This accrual was made on the basis of an actuarial analysis completed in 2022 and will be funded in future periods as the payments become due.

The Long-Term Disability Insurance Fund deficit of $1,717,538 is the result of an accrual of claims incurred but not reported of $3,677,127. This accrual was made on the basis of an actuarial analysis completed in 2022 and will be funded in future periods as the payments become due.

The Fleet Services Fund deficit of $191,645 is related to reporting actuarial determined OPEB and pension expenses. The fund is managed on a modified accrual basis. Charges to other operating funds are adjusted annually to meet current operating needs.

The Facilities Management deficit of $553,271 is related to reporting actuarial determined OPEB and pension expenses. The fund is managed on a modified accrual basis. Charges to other operating funds are adjusted annually to meet current operating needs.

The Warehouse Fund deficit of $371,989 is related to reporting actuarial determined OPEB and pension expenses. The fund is managed on a modified accrual basis. Charges to other operating funds are adjusted annually to meet current operating needs.

IV. Detailed notes on all funds

A. Deposits and investments

Deposits. Consistent with the requirements of State law and the City's investment policy, the City requires all bank and savings bank deposits to be federally insured, fully secured through an FHLB standby letter of credit ("LOC") or collateralized with eligible securities in accordance with Texas Government Code Chapter 2257. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2022. Collateral was held by the Federal Reserve Bank in the City name under a joint safekeeping agreement with JP Morgan Chase Bank. The market value of the collateral at the close of the fiscal year was $7,900,000.

As of September 30, 2022, the carrying amount of the City's deposits was ($1,753,828) and the bank balance was $3,414,532. These balances include the City's blended component units (Garland Foundation for Development and Garland Public Facility Corporation). On September 30, 2022, the City's bank balance, the bank balance for GFFD, and the bank balance for GPFC were fully collateralized. The carrying value of the Garland Foundation for Development component unit deposits was $494,524 and the carrying value for Garland Public Facility Corporation was $299,016.

Investments. State statutes, the City's Investment Policy, and the City Statement of Investment Strategies govern the investments of the City. The City is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, federal agency discount-amortizing notes, federal agency coupon securities, managed pool accounts and Certificates of Deposit.

As of September 30, 2022, the City had the following cash equivalents and investments:

Investment Type	Book Value	Fair Value Level 2	% of portfolio	WAM	Rating	Rating Agency
Fed Home Loan Mortgage Association	19,465,503	19,308,458	2.41%	327	AA+/Aaa	S&P/Moody's
U.S. Treasury	198,866,506	194,903,173	24.61%	261	N/A	N/A
Certificates of Deposit	1,160,580	-	0.14%	1	AA+/Aaa	S&P/Moody's
Investment Pools	588,570,033	-	72.84%	60	AAAm	S&P
Total investment fair value	$ 808,062,622	$ 214,211,631	100.00%	72		

Weighted average maturity (WAM) of the portfolio by investment type categories reflected in the previous table is stated in days. The rating agency acronyms are defined as follows: S&P-Standard & Poor's rating agency and Moody's-Moody's Investor Service.

Fair Value Measurement. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets and liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are inputs (other than quoted prices within Level 1) that are observable for an asset and liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. For the City, all of the U.S. Government Agency securities and Municipal obligations are classified in Level 2 of the fair value hierarchy and are valued based on their relationship to benchmark quoted prices. Investment Pools and Certificates of Deposit are measured at amortized cost or net asset value and are exempt from fair value reporting.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's investment portfolio to maturities of less than five years and a WAM of three years or less. As of September 30, 2022, the WAM for all cash equivalents and investments was 72 days.

Credit risk. The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized rating organization. The City's investments in U. S. agencies were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service as of September 30, 2022.

The City invests in Texpool and TexStar to meet its daily liquidity needs. Texpool and TexStar are local government investment pools (LGIPs) that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. These pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals. Texpool and TexStar are funds that allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of $1.00, although this cannot be fully guaranteed. Texpool and TexStar are all rated AAAm and must maintain a dollar weighted average maturity not to exceed a 60 day limit. The City considers the holdings in these funds to have a WAM of one day, due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

The City invests in Certificates of Deposit. The City has entered into custody services agreement with Stone Castle Cash Management to act as authorized agent to purchase and manage Certificates of Deposit (CDs) in depository banks. The CDs held at each bank are in the City's name and the CD cannot exceed the FDIC insurance amount. Money can be withdrawn from Stone Castle Cash Management with one day notice. The City considers the holding in these CDs to have a weighted average maturity of one day, due to the fact that these funds can be withdrawn with one day notice.

State law limits investments in commercial paper to the top two ratings issued by at least two nationally recognized credit rating agencies. It is the City's policy to limit its investments in these investment types to the top rating issued by national recognized credit rating agencies.

As of September 30, 2022, the City had the following cash equivalents and investments held by the trust agency Public Agency Retirement Services (PARS) for the OPEB trust fund:

Investment Type	Fair Value
Equity Mutual Funds	$ 5,378,027
Fixed Income Mutual Funds	5,846,869
Money Market Fund	644,509
Total investment fair value	$ 11,869,405

B. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Projects	Electric	Water	Wastewater	Other Funds	Total
Receivables:								
Interest	$ 58,575	$ -	$ 71,902	$ 41,706	$ 9,826	$ 9,214	$ 60,952	$ 252,175
Taxes	1,402,810	1,381,477	-	-	-	-	-	2,784,287
Utility Accounts	287,953	-	-	25,525,454	9,727,768	6,977,657	3,780,412	46,299,244
Mowing Liens	685,431	-	-	-	-	-	-	685,431
EMS Accounts	1,765,614	-	-	-	-	-	-	1,765,614
Franchise Fee	1,452,457	-	-	-	-	-	-	1,452,457
Sales Tax	7,164,652	-	-	-	-	-	-	7,164,652
Leases	3,464,568	-	-	-	-	-	-	3,464,568
Wholesale & Other Accts	6,750,363	-	8,081,903	36,027,782	619,817	4,129	4,442,297	55,926,291
Assessments	16,032	-	-	-	-	-	-	16,032
Gross Receivables	23,048,455	1,381,477	8,153,805	61,594,942	10,357,411	6,991,000	8,283,661	119,810,751
Less: allowance for uncollectibles	(2,169,255)	(812,578)	-	(533,231)	(145,235)	(55,840)	(119,089)	(3,835,228)
Net total receivables	$20,879,200	$ 568,899	$8,153,805	$ 61,061,711	$ 10,212,176	$ 6,935,160	$ 8,164,572	$115,975,523

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* in the governmental funds were as follows:

	Unearned
Parks service charges for future events	$ 473,984
Faulkner receivable	37,035
Homeowner assistance	3,800,605
Other receivables related to capital projects	3,560,635
ARPA funds	53,723,162
	$ 61,595,421

Governmental funds defer revenue recognition in connection with resources that have been earned, but not yet available. These amounts are reported as deferred inflows of resources. At the end of the current fiscal year, the various components of deferred inflows of resources in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable (general fund)	$ 480,688
Delinquent property taxes receivable (debt service fund)	473,379
Leases receivable	3,464,568
Sales tax, mowing liens, EMS, & other receivables	13,994,861
	$ 18,413,496

C. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

Primary government

	Balance at Oct. 1, 2021	Increases	Decreases	Balance at Sept. 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 114,300,500	$ 8,026,369	$ -	$ 122,326,869
Internal service land	358,759	-	-	358,759
Construction in progress	122,220,286	82,325,304	(702,742)	203,842,848
Internal service construction in progress	8,032,048	7,344,673	(317,090)	15,059,631
Total capital assets, not being depreciated	244,911,593	97,696,346	(1,019,832)	341,588,107
Capital assets, being depreciated:				
Buildings	136,810,630	277,412	-	137,088,042
Improvements other than buildings	635,144,572	29,820,334	-	664,964,906
Machinery and equipment	114,089,169	2,886,563	(1,544,533)	115,431,199
Internal service buildings, improvements, and equipment	134,314,125	4,471,830	(1,889,739)	136,896,216
Total capital assets being depreciated	1,020,358,496	37,456,139	(3,434,272)	1,054,380,363
Less accumulated depreciation for:				
Buildings	(61,122,249)	(3,327,433)	-	(64,449,682)
Improvements other than buildings	(442,528,955)	(22,151,911)	-	(464,680,866)
Machinery, furniture, and equipment	(85,562,560)	(7,292,335)	1,497,206	(91,357,689)
Internal service buildings, improvements, and equipment	(86,975,521)	(10,025,321)	1,810,523	(95,190,319)
Total accumulated depreciation	(676,189,285)	(42,797,000)	3,307,729	(715,678,556)
Total capital assets, being depreciated, net	344,169,211	(5,340,861)	(126,543)	338,701,807
Governmental activities capital assets, net	$ 589,080,804	$ 92,355,485	$ (1,146,375)	$ 680,289,914

	Balance at Oct. 1, 2021	Increases	Decreases	Balance at Sept. 30, 2022
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 46,121,482	$ 167,038	$ -	$ 46,288,520
Construction in progress	73,999,590	95,030,072	(97,481,058)	71,548,604
Total capital assets, not being depreciated	120,121,072	95,197,110	(97,481,058)	117,837,124
Capital assets, being depreciated/amortized:				
Utility buildings, improvements, and equipment	1,842,801,609	100,591,783	(9,159,936)	1,934,233,456
Right-to-use Leased Asset	-	312,007	-	312,007
Total capital assets being depreciated/amortized	1,842,801,609	100,903,790	(9,159,936)	1,934,545,463
Less accumulated depreciation/amortization for:				
Utility buildings, improvements, and equipment	(717,642,102)	(49,917,692)	7,002,626	(760,557,168)
Right-to-use Leased Asset	-	(98,532)	-	(98,532)
Total accumulated depreciation/amortization	(717,642,102)	(50,016,224)	7,002,626	(760,655,700)
Total capital assets, being depreciated/amortized, net	1,125,159,507	50,887,566	(2,157,310)	1,173,889,763
Business-type activities capital assets, net	$1,245,280,579	$ 146,084,676	$ (99,628,368)	$1,291,726,887

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 1,579,354
Public safety	3,915,277
Public works	23,221,580
Culture and recreation	3,987,100
Public health	68,368
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	10,025,321
Total depreciation expense – governmental activities	$ 42,797,000
Business-type activities:	
Electric	$ 22,471,241
Water	9,255,864
Wastewater	13,669,250
Other non-major business-type activities	4,619,869
Total depreciation/amortization expense – business-type activities	$ 50,016,224

The City has identified intangible assets related to right of way easements. These assets have been classified as non-depreciating assets and reported in the same method as land assets.

Construction commitments

The City has active construction projects as of September 30, 2022. At year-end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Water System	$ 10,631,661	$ 5,015,381
Wastewater System	23,889,807	11,112,086
Electric System	4,363,330	185,776
Public Safety	10,066,290	9,122,246
Parks & Recreation	24,438,381	31,233,647
Streets and Drainage	29,594,088	4,414,210
Municipal Facilities	17,313,917	1,059,439
Total	$ 120,297,474	$ 62,142,785

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2022, is as follows:

Interfund Payable	General Fund	Total
Capital Project Funds	$ 7,219,729	$ 7,219,729
Non Major Business-Type	148,330	148,330
Non-Major Governmental	249,799	249,799
Internal Service Funds	3,773,927	3,773,927
	$11,391,785	$11,391,785

Interfund balances are created by short-term deficiencies in cash position in individual funds and it is anticipated that these balances will be repaid within one year or less.

The composition of advances to/from at September 30, 2022, is as follows:

Advance Payable	Electric	Total
Internal Service	$ 3,896,269	$ 3,896,269

Advances are created by long-term deficiencies in cash position in individual funds. It is not anticipated that these balances will be repaid within one year or less.

During the year, funds were transferred from one fund to support expenditures of another fund in accordance with the authority established for the individual fund. A summary of interfund transfers by fund type is as follows:

	Transfers In									
	General Fund	Electric	Water	Wastewater	Debt Service Fund	Capital Project Fund	Non-major Governmental Funds	Non-major Business Funds	Internal Service Funds	Total Transfers
General	$ -	$ 75,000	$ 22,000	$ 36,000	$ -	$ 3,869,120	$ 10,500	$ 55,000	$1,226,546	$ 5,294,166
Debt Service	-	-	-	-	-	29,355,000	-	-	77,063	29,432,063
Capital Project	20,298,493	-	-	-	-	-	8,041,369	976,000	-	29,315,862
Non-major Governmental	227,815	-	-	-	-	2,421,510	-	-	112	2,649,437
Electric	22,880,003	-	-	-	230,431	2,235,573	-	-	636,664	25,982,671
Water	8,061,333	-	-	-	131,781	-	-	-	126,881	8,319,995
Wastewater	7,039,094	-	-	-	133,898	-	-	-	78,189	7,251,181
Non-major Business-Type	1,135,855	-	-	-	172,426	-	-	-	407,674	1,715,955
Internal Service	-	-	-	-	16,935	-	-	-	-	16,935
	$59,642,593	$ 75,000	$ 22,000	$ 36,000	$685,471	$37,881,203	$ 8,051,869	$ 1,031,000	$2,553,129	$109,978,265

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations; in-lieu-of franchise fees and ad valorem taxes transferred to the General Fund by Water, Wastewater, and Solid Waste; return on investment transferred to the General Fund from the Electric Fund; debt service transfers for payment of principal and interest as these payments are due; and other miscellaneous transfers in accordance with budgetary authorizations.

E. Long-term liabilities

A summary of long-term liabilities, including current portion, for the year ended September 30, 2022, is as follows:

	Balance at Oct. 1, 2021	Increased	Retired	Balance at Sept. 30, 2022	Due within one year
Governmental activities:					
General obligation bonds	$ 170,750,000	$ 53,270,000	$ (21,290,000)	$ 202,730,000	$ 20,360,000
Certificates of obligation	109,605,000	25,250,000	(11,325,000)	123,530,000	13,185,000
Unamortized premium and defeased debt costs	20,845,092	5,032,471	(5,088,484)	20,789,079	-
Landfill post closure cost	26,151,923	3,312,180	-	29,464,103	-
Compensated absences	25,667,377	3,361,308	(3,282,220)	25,746,465	12,100,612
Insurance claims payable	11,764,042	1,035,077	(783,187)	12,015,932	5,948,418
OPEB liability	64,781,664	5,702,597	-	70,484,261	-
Net pension liability	8,312,483	-	(8,312,483)	-	-
Governmental activities Long-term debt	$ 437,877,581	$ 96,963,633	$ (50,081,374)	$ 484,759,840	$ 51,594,030
Business-type activities:					
Utility System revenue bonds	$ 918,150,000	$ 39,675,000	$ (43,520,000)	$ 914,305,000	$ 47,475,000
General obligation bonds	690,000	-	(675,000)	15,000	-
Certificates of obligation	10,850,000	4,130,000	(3,005,000)	11,975,000	3,165,000
Unamortized premium and defeased debt costs	79,072,136	3,500,029	(11,970,096)	70,602,069	-
Commercial Paper	57,500,000	65,000,000	(42,500,000)	80,000,000	-
Compensated absences	3,794,946	696,952	(826,965)	3,664,933	2,651,926
Leases payable	-	312,007	(98,254)	213,753	98,477
OPEB liability	22,675,664	1,996,092	-	24,671,756	-
Net pension liability	3,105,763	-	(3,105,763)	-	-
Asset retirement obligations	513,347	42,094	-	555,441	-
Business-type activities Long-term debt	$ 1,096,351,856	$ 115,352,174	$ (105,701,078)	$ 1,106,002,952	$ 53,390,403

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end $12,095,000 of general obligation bond debt, $5,810,000 of certificates of obligation, $1,227,382 of compensated absences, $1,253,846 of unamortized premium costs, and $11,498,396 of OPEB liabilities from the Internal Service Funds are included in the governmental activities general obligation bonds, certificates of obligation, compensated absences, and OPEB liabilities. Also, for the governmental activities, compensated absences, net pension liabilities, and OPEB claims payable are generally liquidated by the General Fund. For the business-type activities, compensated absences, net pension liability, OPEB claims payable, and leases payable are liquidated with resources from the enterprise fund.

The proceeds of $25,250,000 from the sale of certificates of obligation and $53,270,000 of refunded general obligation bonds for governmental activities are reported as follows:

Fund	Certificates of Obligation	General Obligation Debt	Total Bonded Debt
Capital Project Fund – proceeds from issuance of debt	$ 22,880,000	$ 53,270,000	$ 76,150,000
Internal Service Fund statement of cash flows – proceeds from sale	2,370,000	-	2,370,000
Total	$ 25,250,000	$ 53,270,000	$ 78,520,000

A summary of short-term debt transactions for the year ended September 30, 2022, is as follows:

	Balance at October 1, 2021	Increased	Retired	Balance at September 30, 2022
Governmental activities:				
Commercial Paper	$ 31,000,000	$ 49,000,000	$ 50,000,000	$ 30,000,000
Governmental activities short-term debt	$ 31,000,000	$ 49,000,000	$ 50,000,000	$ 30,000,000

Commercial paper notes (CP) are short-term instruments that have maturities ranging from 1 to 270 days. Interest is paid at maturity but principal is rolled forward by issuing new CP. This process continues, typically for three years, until general obligation bonds (GOs) are issued to refinance outstanding CP. Only after GOs are issued do principal payments begin. The combined amortization of the CP and the GOs is set to not exceed 20 years. Utilization of CP enables the City to lower overall debt payments due to the deferral of principal payments and by taking advantage of lower interest rates. CP is only issued as the funds are required throughout the year. Only projects that have been approved as part of a bond referendum may be funded by GO commercial paper.

Long-term debt at September 30, 2022, includes the following individual issues (not including the unamortized premium costs of $91,391,148):

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Cumulative Retirement	Outstanding
General obligation bonds:						
2014 Refunding	2.00 – 3.00	2/20/2014	2/15/2022	$ 18,450,000	$ 18,450,000	$ -
2015A Refunding	2.00 – 5.00	2/19/2015	2/15/2035	22,695,000	5,540,000	17,155,000
2015B Refunding	2.00 – 2.55	2/19/2015	2/15/2025	22,490,000	11,795,000	10,695,000
2016 Refunding	5.00 -- 5.00	12/14/2016	2/15/2027	42,040,000	34,215,000	7,825,000
2017 Refunding	2.00 – 5.00	6/13/2017	2/15/2035	41,140,000	17,780,000	23,360,000
2018 Refunding	5.00 -- 5.00	12/20/2018	2/15/2029	47,270,000	15,765,000	31,505,000
2019 Refunding	4.00 – 4.50	12/03/2019	2/15/2030	22,390,000	1,590,000	20,800,000
2021 Refunding	2.00 – 4.00	6/30/2021	2/15/2041	39,340,000	1,205,000	38,135,000
2022 Refunding	4.00 – 5.00	5/31/2022	2/15/2042	47,200,000	-	47,200,000
2022 Taxable Refunding	2.90 – 3.45	5/31/2022	2/15/2026	6,070,000	-	6,070,000
				$ 309,085,000	$ 106,340,000	$ 202,745,000
Certificates of Obligation:						
2012 Various purpose	2.00 – 3.375	6/01/2012	2/15/2032	$ 6,755,000	$ 5,395,000	$ 1,360,000
2013 Various purpose	2.00 – 4.00	6/06/2013	2/15/2033	12,725,000	9,455,000	3,270,000
2014 Various purpose	2.00 – 4.00	6/19/2014	2/15/2034	13,475,000	10,305,000	3,170,000
2015 Various purpose	2.50 – 5.00	6/30/2015	2/15/2035	18,205,000	10,930,000	7,275,000
2016 Various purpose	2.00 – 5.00	6/01/2016	2/15/2036	20,210,000	11,025,000	9,185,000
2017 Various purpose	2.00 – 5.00	6/13/2017	2/15/2037	18,140,000	9,110,000	9,030,000
2018 Various purpose	3.375 – 5.00	6/26/2018	2/15/2038	29,955,000	9,745,000	20,210,000
2019 Various purpose	3.00 – 5.00	6/19/2019	2/15/2039	25,125,000	4,680,000	20,445,000
2020 Various purpose	2.00 – 5.00	6/16/2020	2/15/2040	16,510,000	3,395,000	13,115,000
2021 Various purpose	2.00 – 5.00	6/30/2021	2/15/2041	20,725,000	1,660,000	19,065,000
2022 Various purpose	4.00 – 5.00	5/31/2022	2/15/2042	29,380,000	-	29,380,000
				$ 211,205,000	$ 75,700,000	$ 135,505,000

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Cumulative Retirement	Outstanding
Utility system revenue bonds:						
2012 Water & Wastewater	2.00 – 4.00	6/01/2012	3/01/2032	$ 8,415,000	$ 8,415,000	$ -
2013 Electric Utility	2.00 – 2.25	6/06/2013	3/01/2025	11,790,000	8,000,000	3,790,000
2013 Water & Wastewater	3.00 – 3.375	6/06/2013	3/01/2033	29,925,000	17,770,000	12,155,000
2014 Electric Utility	2.00 – 5.00	6/30/2014	3/01/2034	85,305,000	23,925,000	61,380,000
2014 Water & Wastewater	3.00 – 3.375	6/19/2014	3/01/2034	38,175,000	21,135,000	17,040,000
2015 Electric Utility	2.00 – 5.00	2/19/2015	3/01/2025	15,355,000	11,150,000	4,205,000
2016A Electric Utility	2.00 – 5.00	12/14/2016	3/01/2026	12,055,000	6,045,000	6,010,000
2016B Electric Utility	4.00 – 5.00	12/14/2016	3/01/2037	36,875,000	6,125,000	30,750,000
2016 Water & Wastewater	3.00 – 5.00	12/14/2016	3/01/2027	16,715,000	7,385,000	9,330,000
2017 Water & Wastewater	4.00 – 5.00	6/13/2017	3/01/2028	21,430,000	7,855,000	13,575,000
2018 Electric Utility Ref	3.625 – 5.00	6/12/2018	3/01/2048	31,985,000	3,255,000	28,730,000
2018 Water & Wastewater Ref	3.50 – 5.00	6/12/2018	3/01/2038	48,310,000	5,780,000	42,530,000
2018A Water & Wastewater Ref	3.00 – 5.00	12/20/2018	3/01/2029	9,700,000	2,325,000	7,375,000
2019 Electric Utility Ref	4.00 – 5.00	2/26/2019	3/01/2049	147,610,000	7,945,000	139,665,000
2019 Water & Wastewater	.17 – .89	8/02/2019	3/01/2034	6,670,000	1,300,000	5,370,000
2019A Electric Utility	4.00 – 5.00	12/03/2019	3/01/2050	140,790,000	19,845,000	120,945,000
2019A Water & Wastewater	3.00 – 5.00	12/03/2019	3/01/2040	50,865,000	7,970,000	42,895,000
2020 Electric Utility	3.00 – 5.00	6/16/2020	3/01/2050	34,145,000	845,000	33,300,000
2021 Electric Utility	2.00 – 5.00	2/25/2021	3/01/2051	52,260,000	1,175,000	51,085,000
2021 Water & Wastewater	2.00 – 4.00	2/25/2021	3/01/2041	34,725,000	1,190,000	33,535,000
2021A Electric Utility	3.00 – 5.00	9/01/2021	3/01/2051	53,185,000	-	53,185,000
2021B Electric Utility	.0459 – 3.20	9/01/2021	3/01/2051	153,105,000	-	153,105,000
2022 Water & Wastewater	4.00 – 5.00	5/31/2022	3/01/2042	44,350,000	-	44,350,000
				$1,083,740,000	$169,435,000	$ 914,305,000

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
Tax anticipation notes						
2021 Tax anticipation	0.37	9/30/2021	11/15/2022	$ 29,355,000	$ 29,355,000	$ -
2022 Tax anticipation	2.85	9/29/2022	11/15/2023*	36,980,000	-	36,980,000
				$ 66,335,000	$ 29,355,000	$ 36,980,000

*The City considers this short-term. The notes were called and final payment was made on February 15, 2023.

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
Commercial Paper						
2021 GO Commercial Paper Issue	2.00	9/15/2022	12/1/2022	$ 20,000,000	$ -	$ 20,000,000
2021 GO Commercial Paper Issue	2.60	9/27/2022	12/1/2022	10,000,000	-	10,000,000
2021 Electric Commercial Paper Issue	2.41	9/22/2022	09/22/2023	60,000,000	-	60,000,000
2015 Water/Wastewater Commercial Paper Issue	2.05	8/26/2022	11/22/2022	10,000,000	-	10,000,000
2015 Water/Wastewater Commercial Paper Issue	2.00	9/07/2022	11/22/2022	10,000,000	-	10,000,000
				$ 110,000,000	$ -	$110,000,000

Commercial paper notes (CP) related to the enterprise funds are considered long-term instruments. Interest is paid at maturity but principal is rolled forward by issuing new CP. This process continues, typically for three years, until revenue bonds are issued to refinance outstanding CP. Only after revenue bonds are issued do principal payments begin. The combined amortization of the electric revenue bonds is set to not exceed 30 years. The combined amortization of the water and wastewater revenue bonds is set to not exceed 20 years. Utilization of CP enables the City to lower overall debt payments due to the deferral of principal payments and by taking advantage of lower interest rates. CP is only issued as the funds are required throughout the year. Only projects that have been approved as part of a bond referendum may be revenue commercial paper.

The annual requirements to amortize outstanding debt as of September 30, 2022, including interest payments of $516,622,196 are summarized in the table below. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable, and are excluded from the summary:

Governmental Activities				
Years Ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2023	$ 20,360,000	$ 8,208,321	$ 13,185,000	$ 5,293,902
2024	20,815,000	6,840,948	13,005,000	4,437,175
2025	21,255,000	5,941,514	13,055,000	3,808,538
2026	12,515,000	5,208,740	11,125,000	3,223,700
2027	13,075,000	4,619,013	10,060,000	2,721,288
2028-2032	44,120,000	16,001,241	34,025,000	8,348,619
2033-2037	38,685,000	8,203,459	19,060,000	3,044,075
2038-2042	31,905,000	2,449,074	10,015,000	646,137
Total	$202,730,000	$ 57,472,310	$123,530,000	$ 31,523,434

Business-type Activities								
Years Ending September 30,	Revenue Bonds		General Obligation Bonds		Certificates of Obligation		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 47,475,000	$ 37,212,925	$ -	$ 650	$ 3,165,000	$ 556,646	$ 98,477	$ 523
2024	49,935,000	34,475,030	-	650	2,530,000	374,125	98,782	218
2025	48,295,000	32,330,034	5,000	525	2,395,000	251,325	16,494	6
2026	47,145,000	30,249,698	5,000	275	1,920,000	143,450	-	-
2027	46,550,000	28,145,164	5,000	150	1,270,000	63,700	-	-
2028-2032	201,825,000	110,654,611	-	75	570,000	49,675	-	-
2033-2037	151,490,000	74,018,248	-	-	85,000	12,900	-	-
2038-2042	124,425,000	48,245,072	-	-	40,000	1,200	-	-
2043-2047	115,630,000	25,919,718	-	-	-	-	-	-
2048-2052	81,535,000	4,919,859	-	-	-	-	-	-
Total	$914,305,000	$426,170,359	$ 15,000	$ 2,325	$ 11,975,000	$ 1,453,021	$ 213,753	$ 747

At September 30, 2022, the City has authorized but unissued general obligation bonds and general obligation commercial paper in the amount of $382,561,586 as follows:

	Balance at Oct. 1, 2021	General Obligation Bonds Issued	GO Commercial Paper Issued	Balance at Sept. 30, 2022
Streets Improvements	$ 168,470,742	$ 20,906,570	$ 9,812,755	$ 137,751,417
Park Improvements	117,788,452	16,823,905	11,344,569	89,619,978
Drainage Improvements	52,967,031	122,987	1,378,250	51,465,794
Municipal Facilities	10,676,897	1,224,964	1,476,162	7,975,771
Library Improvements	20,709,934	253,471	962,854	19,493,609
Public Safety	44,304,353	5,553,646	3,173,860	35,576,847
Animal Shelter	6,951,833	4,903,527	1,851,550	196,756
Economic Development	46,692,344	6,210,930	-	40,481,414
	$ 468,561,586	$ 56,000,000	$ 30,000,000	$ 382,561,586

A reconciliation was performed in FY2022 to the authorized but unissued general obligation bonds and it was determined that corrections were necessary. The beginning balances have been restated to correctly reflect the outstanding balances.

General Obligation Refunding Bonds do not impact the authorized but unissued General Obligation bonds. The City intends to retire all general long-term debt, plus interest, from ad valorem taxes and other current revenues. Revenue Bonds, applicable Certificates of Obligation and applicable General Obligation Bonds are reflected in the appropriate Proprietary Fund operation. Current requirements for principal and interest expenses are accounted for in the appropriate Proprietary Fund operation.

The City has pledged future Electric, Water and Wastewater utility revenues, net of specified operating expenses, to repay $1,041,592,925 in outstanding Electric Utility System Revenue Bonds and $298,882,434 in outstanding Water & Wastewater Utility System Revenue Bonds. Proceeds from the revenue bonds provide financing for the acquisition and construction of various Electric, Water and Wastewater assets. The bonds are payable solely from Electric net revenues and are payable through 2051. Water and Wastewater bonds are payable solely from net revenues from Water and Wastewater and are payable through 2042. Principal paid and interest incurred for the current year was as follows:

Utility Revenue Bonds	Principal	Interest	Total	Pledged Revenue
Electric	$ 25,565,000	$ 28,769,143	$ 54,334,144	$ 73,312,185
Water & Wastewater	17,955,000	8,191,819	26,146,819	58,017,633

Certificates of Obligation and General Obligation Bonds applicable to Proprietary Fund operations are reflected in the appropriate Enterprise and Internal Service Funds and current requirements for principal and interest expenses are accounted for in the applicable fund. These requirements will be met by current revenues.

Debt issues for the year are as follows:

Issue		Principal	Purpose
Certificates of Obligation, Series 2022	$	29,380,000	Acquiring, constructing, renovating, improving, installing and equipping park and recreational improvements; constructing and equipping municipal drainage improvements, including flood control and flood mitigation improvements; constructing and improving street, including related sidewalks, cycle paths, signage and signalization, landscaping, streetscaping, drainage, utility line relocations and the acquisition of land and rights-of-way therefore; acquisition of vehicles and equipment for the fire, police, emergency medical technicians, streets and traffic control, facilities management, drainage, stormwater management, and parks and recreation departments and programs; constructing, renovating, installing and equipping of buildings, streets and traffic control facilities, and public safety facilities for the police and fire departments, street department, and Justice Complex; acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements for the City's sanitation department, including the landfill and transfer station and the acquisition of land and interest in land related thereto; constructing, equipping and improving information management services systems; acquiring, constructing, renovating, improving and equipping existing municipal buildings, including HVAC replacement, upgrade, roof replacement and safety upgrades; and professional services rendered in connection therewith, including the costs of the issuance of the certificates.
General Obligation Refunding Bonds, Series 2022		47,200,000	Commercial paper refunding
General Obligation Bonds, Taxable Series 2022		6,070,000	Fund projects to promote economic development throughout the City, through planning, designing, constructing, improving, extending and expanding public street, utility, and other infrastructure facilities, including the acquisition of land therefor, and through the City’s programs for economic development, including the acquisition of improved and unimproved properties, the demolition of existing structures, making grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential, and mixed-use development, neighborhood revitalization projects, and mixed income development; and pay the costs of issuance associated with the sales of the taxable bonds.
Water & Wastewater System Revenue Refunding Bonds, New Series 2022		44,350,000	Revenue bond and commercial paper refunding
Tax Anticipation Note, Series 2022		36,980,000	Short term capital projects

On May 31, 2022, the City issued $44,350,000 in Water & Wastewater Revenue Refunding Bonds, New Series 2022 to refund $4,675,000 of outstanding Water & Wastewater System Revenue Bonds, Series 2012, and takeout $42,500,000 of outstanding commercial paper. An amount of $4,717,195 was placed with an escrow agent to provide for debt service payments on the refunded bonds at the call date. The refunded bonds are considered defeased and the liability for those bonds have been removed from the City's financial statements. As a result of the refunding, the City decreased its total debt service payments over the next ten years by $37,170, and obtained an economic gain (difference between the present values of the debt service payments of the old and new debt) of $36,956.

On May 31, 2022, the City issued $47,2000,000 in General Obligation Refunding Bonds, Series 2022 to takeout $50,000,000 of outstanding commercial paper.

In current and prior years, the City legally defeased certain bonds and certificates of obligation by placing cash and/or proceeds of refunding bond issues in an irrevocable trust to provide for all future debt services payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of Sept. 30, 2022, there were no outstanding balances of defeased bonds.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or are not performed correctly, a liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The City did not identify arbitrage liability as of Sept. 30, 2022.

Leases Payable

The City has entered into lease agreement as a lessee. The lease allows the right to use office space over the term of the lease. The City is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the lease. The lease rate, term, and end balance are as follows:

Business-Type Activities	Final Maturity	Interest Rate	Liability at Commencement	Ending Balance
Office space	11/30/2024	.31%	$312,007	$213,753

F. Retirement Plans

Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act), as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated based on the sum of the employee's contributions with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credit for service since the plan began are 200% of the employee's accumulated contributions. In addition, the City granted another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his/her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

A summary of the plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required to vesting	5
Service retirement eligibility	age 60 with five or more years of service or with 20 years of service regardless of age

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,626
Inactive employees entitled to but not yet receiving benefits	822
Active employees	2,082
	4,530

Contributions

The contribution rate for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.44% and 11.57% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for fiscal year 2022, were $19,328,261, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over a four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 thru 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return (Arithmetic)	
Global Equity	35.0	%	7.55	%
Core Fixed Income	6.0		2.00	
Non-Core Fixed Income	20.0		5.68	
Other Public and Private Markets	12.0		7.22	
Real Estate	12.0		6.85	
Hedge Funds	5.0		5.35	
Private Equity	10.0		10.00	
Total	100.0	%		

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments to current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at December 31, 2020	$ 1,086,524,058	$ 1,075,105,812	$ 11,418,246
Changes for the year:			
Service Cost	25,977,603		25,977,603
Interest (on the total pension liability)	72,367,235		72,367,235
Difference between expected and actual experience	(2,381,211)		(2,381,211)
Benefit payments, including refunds of employee contributions	(54,811,345)	(54,811,345)	-
Contributions-employer		18,626,665	(18,626,665)
Contributions – employee		11,649,149	(11,649,149)
Net investment income		140,045,792	(140,045,792)
Administrative expense		(648,494)	648,494
Other		4,442	(4,442)
Net changes	41,152,282	114,866,209	(73,713,927)
Balance at December 31, 2021	$1,127,676,340	$ 1,189,972,021	$ (62,295,681)

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1 % Increase 7.75%
$ 73,807,924	$ (62,295,681)	$ (176,668,033)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension income of $7,427,412.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 5,716,727	$ (1,878,850)
Difference in assumption changes	638,196	-
Difference between projected and actual investment earnings on pension plan investments	-	(72,046,900)
Employer contributions subsequent to the measurement date	13,848,462	-
	$ 20,203,385	$ (73,925,750)

Deferred outflows of resources of $13,848,462 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows or resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2023	$ (10,276,949)
2024	(28,992,648)
2025	(14,434,250)
2026	(13,866,980)
Total	$ (67,570,827)

G. Other postemployment benefits

City of Garland other postemployment benefit plan

Plan Description

The City makes available health care benefits to all employees who work for the City of Garland a minimum of five years, meet the Texas Municipal Retirement System (TMRS) criteria listed on page 72, and elect coverage at the time of retirement and maintain continuous, uninterrupted coverage. Benefit provisions are established by management and funding is approved by City Council annually, during the budget process.

In 2008, the City established an irrevocable trust fund in an effort to begin funding the actuarial determined OPEB unfunded liability and to ensure that funding is available in the future for retiree medical benefits. In 2022, the City Council approved a transfer of $1,590,000 to the trust, and a long-term funding strategy was implemented to increase the annual contribution to this trust with a goal of fully funding the annual OPEB obligation after ten years.

The OPEB trust investments are held in the Public Agencies Retirement Services (PARS) Post-retirement Health Care Plan Trust by its trustee, US Bank. US Bank has delegated investment management responsibilities to HighMark Capital Management, Inc. (Investment Manager), a SEC-registered investment advisor. The Trust investment guideline mandates a diversified portfolio designed to generate long-term returns that, when combined with contributions, will result in sufficient assets to pay future obligation associated with the retiree health plan.

The Plan is a single-employer defined benefit plan and does not issue a publicly available financial report.

Benefits Provided

The City of Garland provides insurance to eligible pre-65 retirees, their spouses and dependents through the City's self-insured group health plan. Post-65 retirees are offered a fully insured Medicare Supplement Plan through Hartford, who assumes all claims risk liability on this group of retirees. The City makes contributions towards retiree health care benefits. However, the City reduces its liability and risk by capping the annual increase to the City contribution to a maximum of 3% per year. For FY2022, the monthly City contribution per participant for the retiree group as a whole was $501.81.

As of December 31, 2021 biennial actuarial valuation, the Plan's membership consisted of the following:

Number of plan members	Medical
Retirees and dependents currently receiving benefits	804
Inactive members entitled to benefits, but not yet receiving them	-
Active members	1,866
Total	2,670

Contributions and Funding Policy

The City has the authority to establish and amend the Plan contributions. The City makes an annual contribution to the Trust fund; the funding is established and approved by City Council as part of the City budget process. For the year ended September 30, 2022, the City's average contribution rate was 4.07 percent of the covered payroll. Monthly retiree premiums are utilized to fund current medical claims and are based on the benefit election of the Plan member.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

Actuarial Valuation Date	12/31/2021
Actuarial Cost Method	Entry Age Normal
Asset valuation method	Market value
Inflation	2.50%
Projected salary increase	3.00%
Discount rate	5.15%
Healthcare cost trend rates	All years capped at 3.0%
Mortality	Non Annuitants – Sex distinct PUB 2010 general employee headcount weighted mortality table with mortality improvement scale MP-2021. Annuitants – Sex distinct PUB 2010 retiree headcount weighted mortality table with mortality improvement scales MP-2021.

Rate of Return

The long-term expected rate of return on OPEB plan investments will be managed on a total return basis which takes into consideration both investment income and capital appreciation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return (Geometric)	
Large Cap	27.45	%	7.90	%
Mid Cap	4.15		8.00	
Small Cap	8.35		8.10	
International	6.84		8.50	
Emerging Markets	3.34		10.10	
Real Estate	1.74		5.70	
Short Term Bond	8.61		3.60	
Intermediate Term Bond	36.44		5.50	
High Yield	2.18		6.80	
Cash	.90		2.60	
Total	100.00	%		

The long-term expected rate of return is 6.75%. The expected return is determined through a combination of historical rates of return, valuation projections, and economic expectations.

Discount rate

The discount rate used to measure the Total OPEB Liability was 5.15%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the OPEB plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments to current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all period of projected benefit payments to determine the total OPEB liability.

The discount rate for the 12/31/2021 measurement was 5.15% which caused an actuarial gain. The discount rate for the 12/31/2020 measurement was 4.02%. The discount rate incorporates a blend of the expected rate of return and the yield of a set of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of September 30, 2022, the measurement date (6.75% and 4.77%, respectively).

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at December 31, 2020	$89,470,285	$ 11,970,404	$ 77,499,881
Changes for the year:			
Service Cost	2,239,204	-	2,239,204
Interest (on the total OPEB liability)	3,545,372	-	3,545,372
Difference between expected and actual experience	2,307,370	-	2,307,370
Change in assumptions	8,803,333	-	8,803,333
Benefit payments, including refunds of employee contributions	(7,032,293)	(7,032,293)	-
Contributions-employer	-	8,622,293	(8,622,293)
Net investment income	-	1,119,635	(1,119,635)
Administrative expense	-	(65,244)	65,244
Net changes	9,862,986	2,644,391	7,218,595
Balance at December 31, 2021	$99,333,271	$ 14,614,795	$ 84,718,476

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 5.15%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.15%) or 1-percentage-point higher (6.15%) than the current rate:

1% Decrease 4.15%	Current Single Rate Assumption 5.15%	1 % Increase 6.15%
$ 100,033,466	$ 84,718,476	$ 72,427,100

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 5.15% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

1% Decrease 2.0%	Current Single Rate Assumption 3.0%	1 % Increase 4.0%
$ 71,669,017	$ 84,718,476	$ 101,078,077

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of $8,917,220.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 6,743,702	$ -
Difference in assumption changes	7,590,358	(559,680)
Difference between projected and actual investment earnings on pension plan investments	-	(751,326)
Employer contributions subsequent to the measurement date	3,220,228	-
	$ 17,554,288	$ (1,311,006)

Deferred outflows of resources of $3,220,228 related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows or resources related to pensions will be recognized in OPEB expense as follows:

Year ended September 30,	
2023	$ 4,031,264
2024	4,365,515
2025	2,456,174
2026	2,170,101
Total	$ 13,023,054

Supplemental Death Benefits Plan (SDBF)

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members and retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (pay as you go plan). The retiree portion of the SDBF is considered to be a single-employer, defined benefit OPEB plan.

Detail information about the SDBF OPEB plan is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employee's entire careers. The SDBF contribution rate for retirees is .13%.

As of December 31, 2021, membership in the plan consisted of the following:

Inactive employees currently receiving benefits	1,236
Inactive members entitled to benefits, but not yet receiving them	227
Active members	2,082
Total	3,545

The City's OPEB liability is measured as of December 31, 2021, and the total OPEB liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions

Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Discount rate	1.84%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas mortality tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis of Scale UMP to account for future mortality improvements subject to the floor.

Discount rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of measurement date. The municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA index").

Changes in Total OPEB Liability

Beginning at December 31, 2020	$ 9,957,447
Service Cost	399,398
Interest on the total OPEB liability	200,980
Differences between expected and actual experience	(201,508)
Change in assumptions	297,565
Benefit payments	(216,341)
Net change in total OPEB liability	480,095
Ending at December 31, 2021	$10,437,541

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

1% Decrease	Current Discount Rate Assumption	1 % Increase
.84%	1.84%	2.84%
$12,586,335	$ 10,437,545	$ 8,751,801

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of $933,701.

At September 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 177,974	$ (777,785)
Difference in assumption changes	1,836,885	(169,982)
Employer contributions subsequent to the measurement date	158,899	-
	$ 2,173,758	$ (947,767)

Deferred outflows of resources of $158,899 related to OPEB resulting from retiree contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows or resources related to pensions will be recognized in OPEB expense as follows:

Year ended September 30,	
2023	$ 333,322
2024	266,241
2025	243,441
2026	203,243
Thereafter	20,845
Total	$1,067,092

H. Self-Insurance

Self-insurance for general and auto liability exposure and workers' compensation is maintained in the Self-Insurance Fund of the Internal Service Fund. A private insurance company administers workers' compensation claims and losses for the City. Self-insurance premiums of $9,073,494 were collected from funds that participate in these. Claims settlement and loss expenses are accrued in the Self-Insurance Fund for the estimated settlement value of claims reported and incurred but not reported arising from incidents during the period. A liability, insurance claims payable, has been established. The reported liability includes actuarially determined present value projected losses for general, auto, and workers' compensation exposure. In determining projected losses, coverages with material incurred losses were compared to expected industry loss levels for prior periods. Based on this comparison, an experience modifier was selected and applied to current indicated industry premiums per exposure unit to obtain expected losses as of September 30, 2022, at the selected per occurrence limits. Based on a current independent actuarial analysis completed in December 2022 claims payable as of September 30, 2022 was estimated at $5,654,887.

Long-Term Disability (LTD) claims are paid from the LTD Insurance Fund, which is funded with City and employee contributions. A private company administers the long-term disability claims and losses for the City. Based on a current independent actuarial analysis, an actuarially determined liability of $3,677,127 has been established for projected future claims.

Group medical benefits are paid from the Group Health Fund, which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage. At September 30, 2022, a short-term liability of $2,683,918 was recognized for open claims and claims incurred but not reported. The claims incurred but not reported are calculated based on a monthly average for claims paid during the current fiscal year.

There were no significant reductions in insurance coverage in the current year from coverage in the prior year, nor have there been any settlements that have exceeded insurance coverage for each of the past three fiscal years.

Changes in the self-insurance, long-term disability and group health insurance claims payable in fiscal years 2021 and 2022 were:

Internal Service Fund	Beginning of Fiscal Year Liability	Current Year Claims	Changes in Estimates	Claim Payments	Balance at Fiscal Year – End	Current Portion
Self-Insurance – 2021	$ 6,438,074	$ 293,661	$ -	$ 293,661	$ 6,438,074	$ 2,774,500
Self-Insurance – 2022	6,438,074	595,704	(783,187)	595,704	5,654,887	2,774,500
Long-Term Disability – 2021	2,863,759	399,639	-	399,639	2,863,759	490,000
Long-Term Disability – 2022	2,863,759	410,955	813,368	410,955	3,677,127	490,000
Group Health – 2021	2,268,697	28,849,135	193,512	28,849,135	2,462,209	2,462,209
Group Health – 2022	2,462,209	31,899,962	221,709	31,899,962	2,683,918	2,683,918

I. Texas Municipal Power Agency

The Texas Municipal Power Agency (TMPA) was created in 1975 pursuant to legislation that was passed by the 64th Legislative Session. TMPA, a municipal corporation, is governed by a Board of Directors, where each member city appoints two representatives to the Board. In 1976, the City along with the cities of Bryan, Denton, and Greenville (collectively "the Cities") entered into identical Power Sales Contracts with TMPA. Under the Power Sales Contracts each member city is required to purchase all future power and energy requirements in excess of the amounts generated by their systems from TMPA at rates set to cover TMPA's operating cost and retirement of debt. In the event that revenues are insufficient to cover all costs to retire the outstanding debt, each of the member cities has guaranteed a portion of the unpaid debt based on a percentage. The City's percentage requirement was 47%. On September 1, 2018, TMPA made the final debt service payment on its generation debt, which extinguished the City's obligation with respect to such debt. With the extinguishment of TMPA's generation debt and the election of the Cities to not extend the Power Sales Contract beyond September 30, 2018, the Power Sales Contract expired. Each of the Cities has the right to enter into a new power sales contract with TMPA; however, none of the Cities have exercised this right.

TMPA and the Cities entered into a Joint Operating Agreement (JOA) effective September 1, 2016. The JOA represents the post-Power Sales Contract plans for TMPA and the Cities. The JOA divides TMPA assets and operations into three business categories – generation, transmission, and mining.

During FY2022, the City paid TMPA $1,339,554 for charges related to ongoing operations.

Total debt of TMPA at September 30, 2022, amounted to $204,440,000 of which $6,575,000 represented the current portion. TMPA's outstanding long-term debt and short-term debt obligations are all associated with TMPA's transmission system and are payable from and secured by TMPA's transmission net revenues.

TMPA
Outstanding Debt Amounts
September 30, 2022
(reported in thousands)

	Long-Term	Current	Total
Revenue Bonds	$ 174,765	$ 6,575	$ 181,340
Tax Exempt Commercial Paper	23,100	-	23,100
	$ 197,865	$ 6,575	$ 204,440

Prepaid Energy Costs, Impairment of Prepaid Energy Costs, and Regulatory Assets

On March 1, 2010, the City issued Combination Tax & Electric Utility System Revenue Refunding Bonds, Series 2010 with a maturity of 20 years for the purpose of prepaying certain contractual obligations to TMPA. The principal amount of the bonds was $126,885,000 with a reoffering premium and other bond issuance costs of $11,367,850 for a total of $138,252,850. Since the proceeds of this debt issuance were placed with TMPA and the City received an economic benefit over a period of years, an Other Asset was recorded in the Electric Fund Statement of Net Position in the amount of $138,252,850. The City is amortizing the Other Asset over a period of 20 years with a half year convention. The generation portion of the Other Asset was impaired in 2017 and 2018 leaving only the transmission portion of the Other Asset. On September 30, 2022, TMPA Transmission Asset had a balance of $3,477,877.

On September 30, 2017, the City impaired 37.9% of the generation portion of the Other Assets when the TMPA Board of Directors approved a plan of "seasonal operations". The total impairment was $50,045,780. On September 30, 2018, the City impaired the remaining generation portion of the Other Asset when ERCOT was notified of the plan to suspend operations indefinitely. The impaired portion was recorded as a GASB 62 Regulatory Asset in Other Assets to be amortized through FY2030. On September 30, 2022, the Generation Regulatory Asset had a balance of $48,366,931.

In February 2021, the state of Texas experienced an unprecedented winter weather event, Winter Storm Uri, resulting in severe cold weather, snow, and ice. The storm caused power outages across the state. As a result, energy and natural gas prices increased dramatically from February 11 to February 24, 2021. The City recorded a Regulatory Asset of $137,343,717. The asset was calculated by looking at historical prices for the same period and recording the additional costs incurred as a regulatory asset. The asset will be amortized over thirty years. On September 30, 2022, the Winter Storm Uri regulatory asset had a balance of $130,476,532.

To qualify to utilize GASB 62, the following must apply:

- The regulated business-type activity's rate for regulated services provided to its customers are established by or are subject to approval of an independent, third-party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers.
- The regulated rates are designed to recover the specific regulated business-type activity's costs of providing the regulated services.
- In view of the demand for the regulated services or products and the level of competition, direct and indirect, it is reasonable to assume that rates set at levels that will recover the regulated business-type activity's costs can be charged to and collected from customers. This criterion requires consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized costs.

The City of Garland qualifies to utilize GASB 62 due to:

- State and local statues empower the City of Garland City Council to establish retail rates.
- The City of Garland specific costs are recovered through City of Garland retail rates.
- Current and projected customer demand support the recovery of City of Garland cost of service.

	February 2021 Winter Storm URI	TMPA Transmission	GASB 62 TMPA PPD Demand Regulatory Asset	Total Other Asset
Balance Sept. 30, 2021	$ 135,054 655	$ 3,941,607	$ 54,815,856	$ 193,812,118
Other asset amortization	(4,578,123)	(463,720)	(6,448,925)	(11,490,768)
Balance Sept. 30, 2022	$ 130,476,532	$ 3,477,887	$ 48,366,931	$ 182,321,350

Financial statements for TMPA are available from the TMPA website texasmpa.org or through the City of Garland Financial Services Department.

J. Deferred Compensation Plan

The City offers its non-civil service employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, available to all permanent City employees, permits participants to contribute annually the amount up to the annual contribution limit allowed by the IRS. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In addition, the City offers to civil service employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457 which is known as the Retirement Stability Benefit Plan (RSB Plan). Due to the fact that Civil-Service employees do not contribute to Social Security, the City created the RSB plan to provide sworn Firefighters and Police Officers the option to supplement their retirement benefits by making both pre-tax and post-tax contributions to their plan. In FY2022, if civil-service employees contributed at least 2.25% of their gross pay per pay period, the City would match 1.75%. The total amount contributed by the City for Fiscal Year 2022 was $927,819. It should be noted that City Council approved an incremental increase of 0.25% to the plan for FY2023. Therefore, for FY2023 civil-service employees that contribute at least 2.5% of their gross pay per pay period will receive a 2.0% match from the City. This plan is available to all City civil-service employees and permits annual contributions from both employees and the City up to the annual contribution limit allowed by the IRS. The deferred compensation is not available to the civil service employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under both of the plans, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries.

K. Conduit Debt Information

The discrete component unit was created to issue revenue bonds to provide financial assistance to qualified homeowners. Even though the bonds are outstanding, there is no liability to the City or the component unit (no commitment debt), as all liability transfers to the trustee of the bond issue. A summary of outstanding conduit bonds at December 31, 2021, is as follows:

Series	Garland Housing Finance Corporation	Total
2005	$ 11,420,846	$ 11,420,846
	$ 11,420,846	$ 11,420,846

L. Governmental Activity Component Units

The Garland Public Facility Corporation (GPFC) was organized for the purpose of assisting the City in financing, refinancing, or providing public facilities. GPFC is reported as a blended component unit in the non-major governmental fund. As of September 30, 2022, the condensed combining information for GPFC is $3,521,016 for contributed land reported in governmental activities on the government wide statement of net position and statement of activities.

The Garland Foundation for Development (GFFD) was organized to promote economic development within the City of Garland. GFFD is reported as a blended component unit in the non-major governmental fund. As of September 30, 2022, the condensed combining information for GFFD is $21,615,451 for contributed land reported in governmental activities on the government wide statement of net position and statement of activities.

M. Landfill Closure and Post-closure Care Cost

As of September 30, 2022, the total estimated landfill closure/ post-closure cost for the City's Castle Drive landfill, Hinton landfill, and transfer station is $2,123,835, $68,712,445 and $40,265 respectively. The $29,464,103 reported as landfill closure and post-closure care liability represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the Castle landfill, 41.49% use of the Hinton landfill, 100% of the closure cost for the transfer station, less post closure expenditures to date of $1,207,302. The City will recognize the remaining estimated closure and post-closure care costs of $40,205,140 as the percentage of capacity depletion increases. These amounts are based on an engineering study performed in 1996 and updated in 2021, which estimated cost to perform all closure and post-closure care. In addition, the closure and post-closure care cost were adjusted for inflation annually based on the most recent Implicit Price Deflator for Gross National Product published by the United States Department of Commerce. Actual cost may differ from the estimate due to inflation, changes in technology, or regulatory changes. The Hinton landfill has an estimated remaining useful life of 31.3 years.

Since the City's Landfill operation is a general government function, a special revenue fund was established to account for actual landfill closure and post-closure care funding sources and expenditures as they are incurred. Based on the City's current landfill closure financial strategy, $2.4 million in Certificates of Obligation will be issued to finance the one time closure cost and the on-going post closure care will be paid from operating funds.

N. Economic Incentives and Tax Abatements

The City enters into economic development and tax abatement agreements in order to spur commercial activity, generate additional sales tax revenue, enhance the property tax base, and provide increased economic vitality to the City. All abatement projects meet a minimum threshold point total based on full-time jobs, annual payroll, value of new or remodeled facilities, value of machinery and equipment, value of inventory, annual sales tax generated, or Garland Power & Light electric usage. All abatements must be approved on a case-by-case basis negotiated by City staff and approved by the City Council. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, expanding operations, renewing facility leases and bringing targeted businesses to the City. Recipients are largely required to meet and maintain minimum thresholds of real and personal property values, full time employees, number of tenants or other provisions specific to an individual recipient. Agreements are generally made for a minimum of five years and generally contain recapture provisions which may require repayment or termination if a recipient fails to meet the required provisions.

The City has two categories of economic development agreements:

Tax Abatements – Under Chapter 312 of the Texas Tax Code the City is allowed to designate tax reinvestment zones and negotiate tax abatement agreements with applicants within these zones. The abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. A summary of Chapter 312 Tax Abatements for the year ended September 30, 2022, is as follows:

Abatement Type	Active Agreements	Total Taxes Abated FY22
Business Personal Property Tax	1	$ -

Tax Rebates – Under Chapter 380 of the Texas Local Government Code, the City is allowed to enter into agreements in order to stimulate economic activity. These agreements may rebate a flat amount or percentage of real property, personal property or sales taxes received by the City. A summary of Chapter 380 tax rebates for the year ended September 30, 2022 is as follows:

Abatement Type	Active Agreements	Total Taxes abated FY22
Ad Valorem Tax	3	$ 271,388
Business Personal Property Tax	7	175,620
Sales Tax	3	535,150

O. Commitments and Contingent Liabilities

The City has been named as a defendant or co-defendant in a number of personal injury cases. While the outcome of these cases is not known at this time, the City attorney and City management are of the opinion that any awards to injured parties which must be paid in excess of amounts covered by insurance will not be material to the financial position of the City.

A number of other claims against the City, as well as certain other matters of litigation, are pending with respect to various matters arising in the normal course of the City's operations. The City attorney and City management are of the opinion that the settlement of these other claims and pending litigation will not have a material adverse impact on the City's financial position.

The City participates in a number of State and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

On December 19, 2013, the City entered into a twenty (20) year energy purchase power agreement with Spinning Spur Wind Three, LLC. The agreement extends from the start hour 1:00 of the Commercial Operation Date and ends at the completion of hour 24:00 of the day immediately preceding the twentieth anniversary. The City purchases 26% of the output from the 194MW facility. Commercial Operations began September 28, 2015.

On August 28, 2014, the City entered into a twenty-five (25) year energy purchase power agreement with Los Vientos Windpower V, LLC. The agreement extends from the start of hour 1:00 of the Commercial Operation Date and ends at the completion of hour 24:00 of the day immediately preceding the twenty-fifth anniversary. The City purchases 45.96% of the output from the 110MW facility. Commercial Operations began December 23, 2015.

On June 12, 2015, the City entered into a fourteen (14) year energy purchase power agreement with Salt Fork Wind, LLC. The agreement extends from the start of hour 1:00 (CPT) of the Commercial Operation Date and ends at the completion of hour 24:00 (CPT) of the day immediately preceding the fourteenth anniversary. The City purchases up to 150MW from the facility. The City has contracts to sell 77% of this energy downstream. Commercial Operations began December 1, 2016.

On October 27, 2015, the City entered into a twenty (20) year energy purchase power agreement with Albercas Wind Energy II, LLC. From the effective date, the agreement extends until 23:59:59 (CPT) on the day prior to the 20th anniversary of the Commercial Operation Date. The City purchases up to 96MW from the facility. The City has contracts to sell 74% of this energy downstream. Commercial Operations began November 13, 2016.

On December 28, 2015, the City entered into a fifteen (15) year energy purchase power agreement with BNB Lemesa Solar LLC. The agreement extends from the start of hour 1:00 (CPT) of the Commercial Operation Date and ends at the completion of hour 24:00 (CPT) of the day immediately preceding the fifteenth anniversary. The Commercial Operation Date is anticipated to be no later than March 31, 2017. The City will purchase 102 MW from the facility. The City has contracts to sell 49% of this energy downstream. Commercial Operations began April 27, 2017.

On November 20, 2018, the City entered into renewable purchase power agreement with Engie Long Draw Solar LLC. The agreement extends fifteen (15) years following the Commercial Operation Date. The City will purchase up to 25 MW from the facility. Commercial Operations began December 11, 2020.

On December 11, 2018, the City entered into a renewable purchase power agreement with Concho Bluff LLC. The agreement extends fifteen (15) years following the Commercial Operation Date. The Commercial Operation Date of the facility occurred on February 12, 2021. The City is purchasing 50 MW from the facility. On or about May 1, 2022, a hail storm caused a forced outage to a portion of the facility. The facility is currently generating approximately 50% of the energy originally expected. At this time, it is unclear of the duration of the reduced energy output.

The City executed confirmations through December 31, 2032, under its International Swaps and Derivatives Association Inc. (ISDA) Master Agreement to purchase electricity under specific terms and conditions. Management believes the purchase of electricity under the specific terms and conditions of the confirmation were for normal purchases/normal sales and non-speculative in nature.

P. Derivative Instruments

In an effort to mitigate the financial and market risk associated with the purchase of natural gas, energy, and congestion price volatility, the City has established a Risk Management Program. This program was authorized by the City Council and is led by the Risk Oversight Committee. Under this program, the City enters into forward contracts for natural gas and energy for the purpose of reducing exposure to natural gas and energy price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity. These contracts may be settled in cash or delivery of certain commodities. The City typically settles these contracts by delivery of certain commodities.

The City applies GASB Statement No 53 – *Accounting and Financial Reporting for Derivative Instruments*, ("GASB 53"), which addresses the recognition, measurement, and disclosures related to derivative instruments. The City utilizes natural gas commodity swaps to hedge its exposure to fluctuating fuel prices. Since these derivative instruments are entered into for risk mitigation purposes, the instruments are considered potential hedging derivative instruments under GASB 53. The City evaluated all potential hedging derivative instruments for effectiveness utilizing the consistent critical terms method as of September 30, 2022, and as of September 30, 2021, and determined the derivative instruments to be effective in substantially offsetting the change in cash flows of the hedgeable items. These derivative instruments act as cash flow hedges.

At September 30, 2022, the total fair value of outstanding hedge instruments was a net asset of $9,195,113. Fuel hedging instruments with a fair value of $1,084,259 are classified on the Statement of Net Position as a non-current asset. Fuel hedging instruments with a fair value of $8,110,854 are classified on the Statement of Net Position as a current asset. As of September 30, 2021, the total fair value of outstanding hedge instruments was a net asset of $3,434,791. Fuel hedging instruments with a fair value of $539,474 are classified on the Statement of Net Position as a non-current asset. Fuel hedges with a fair value of $2,895,317 are classified as a current asset. Changes in fair value as of September 30, 2022, of $8,655,639 are reflected in deferred inflows. The following information details the City Electric Fund's hedging derivative instruments below:

Derivative transactions as of September 2022:

Type	Terms	Notional Amount (MMBtu)	Purchase Dates	Maturity Dates	Referenced Index	Fair Value
Commodity Swaps	City pays prices of $2.550 - $6.000	4,286,059	Feb 2021-Jun 2022	Oct 2022-Dec 2023	NYMEX	$ 9,195,113
		4,286,059				$ 9,195,113

Derivative transactions as of September 2021:

Type	Terms	Notional Amount (MMBtu)	Purchase Dates	Maturity Dates	Referenced Index	Fair Value
Commodity Swaps	City pays prices of $2.550 - $2.857	2,306,038	Mar 2017-Feb 2021	Oct 2021-Dec 2022	NYMEX	$ 3,434,791
		2,306,038				$ 3,434,791

At September 30, 2022, the City had thirteen customers to provide wholesale power supply and/or qualified scheduling entity services. The contract terms extend up to November 13, 2036. For the power supply customers, the City charges an energy charge which is based on the quantity of power supplied multiplied by a fixed price, or multiplied by a fixed heat rate and a fuel index price. In order to hedge the City's risk, the City has entered into corresponding power supply agreements with counterparties to hedge against energy price or heat rate fluctuation in the market.

Congestion Revenue Rights

Pre-assigned Congestion Revenue Rights (PCRRs) and Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow the City to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, annually and monthly at market value. Municipally owned utilities are granted the right to purchase PCRRs annually at 10-20% of the cost of CRRs. At September 30, 2022, the City held CRRs with a cost and fair market value of $740,848, that the City expects to use in normal operations, which is recorded as prepaid expense in the Electric fund.

Risks

Credit Risk. The City's over-the-counter agreements for natural gas and energy expose the City to credit risk. In the event of default, the City's operations will not be materially affected. However, the City does not expect the counterparties to fail to meet their obligations. The City maintains contracts with contractual provisions under the ISDA, EEI (Edison Electric Institute), and NAESB (North American Energy Standards Board) agreements. As of September 30, 2022, the City had outstanding forward purchase contracts extending through December 31, 2032, which are expected to be settled through physical delivery.

The City monitors the credit ratings of all of its counterparties to adhere to the City's Risk Management Policy. Any counterparty that does not have at least a BBB- credit rating must be approved by the Risk Oversight Committee.

The congestion revenue rights expose the City to custodial credit risk in the event of default or nonperformance by ERCOT. In the event of default or nonperformance, the City's operations will not be materially affected. However, the City does not expect ERCOT to fail in meeting their obligations as they are a regulatory entity of the State of Texas.

Basis Risk. The City could be exposed to basis risk on its fuel hedges if the expected commodity purchases being hedged will price based on a delivery point (WAHA/Katy/HSC) different than that at which the financial hedging contracts are expected to settle NYMEX (Henry Hub).

Termination Risk. Termination risk is the risk that a derivative instrument will terminate prior to its scheduled maturity date due to a contractual event. Contractual events include illegality, tax and credit events upon merger and other events. The City's exposure to termination risk for over-the-counter agreements is minimal due to the high credit rating of the counterparties, and the contractual provisions under the ISDA, EEI, and NAESB agreements applied to these contracts. Termination risk is associated with all of the City's derivative instruments up to their fair value of the instrument.

Close-out Netting Arrangements. The City enters into close-out netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and set off the transaction's fair values so that a single sum will be owed by or owed to the non-defaulting party.

Q. Asset Retirement Obligation

The City operates the Ray Olinger Power Plant. The 400-megawatt, gas-fired plant consists of four power generating units: three stream boilers and one turbine. In 2019, the City hired an outside engineering firm to access the environmental obligations and closure requirements in the event of a plant closure. It was determined that the four evaporation ponds and the above ground storage tank at the Olinger Power Plant are considered to be industrial solid waste management units subject to TCEQ closure requirements. The total cost was estimated to be $480,322. The City is estimating the life of the plant to be 11 years.

	Balance at Oct. 1, 2021	Additions	Amortization	Balance at Sept. 30, 2022
ARO Deferred Outflow	$ 390,684	$ 42,094	$ 36,064	$ 396,714

	Balance at Oct. 1, 2020	Additions	Reductions	Balance at Sept. 30, 2022
ARO Liability	$ 513,347	$ 42,094	$ -	$ 555,441

R. Subsequent Events

On April 12, 2019, the City entered into renewable purchase power agreement with Samson Solar Energy, LLC. On May 29, 2020, the renewable energy purchase agreement was assigned to Delilah Solar Energy, LLC. The agreement extends fifteen (15) years following the first day of the month immediately following Commercial Operation. The Commercial Operation Date was anticipated to be no later than June 1,2022. However, the development of the facility was delayed beyond 180 days of Guaranteed Commercial Operation Date and as a result, pursuant to the agreement, City received Early Termination Payment in the amount of $2,500,000 in FY2023.

On January 17, 2023, the City approved an ordinance to call $36,980,000 of Tax Anticipation Note, Series 2022 to be called on February 15, 2023.

City of Garland, Texas
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022
(unaudited)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Taxes	$ 102,941,875	$ 110,379,305	$ 110,833,475	$ 454,170
Franchise fees	7,268,401	8,030,676	7,668,703	(361,973)
Service charges	30,247,556	33,538,752	36,423,598	2,884,846
Licenses and permits	4,755,289	5,887,103	7,018,315	1,131,212
Earnings on investments	408,300	448,400	208,758	(239,642)
Intergovernmental	1,842,150	1,342,150	1,550,131	207,981
Charges for services	10,496,254	10,511,254	10,526,736	15,482
Fines and forfeits	4,608,304	5,199,090	4,986,774	(212,316)
Rents and concessions	624,088	673,404	601,317	(72,087)
Total revenues	163,192,217	176,010,134	179,817,807	3,807,673
Expenditures:				
Current:				
General government	12,955,702	13,526,807	13,394,399	132,408
Public safety	107,157,438	112,511,134	110,364,300	2,146,834
Public works	47,163,935	55,061,912	50,307,480	4,754,432
Culture and recreation	18,719,425	20,120,197	18,877,832	1,242,365
Public health	5,239,507	5,441,589	5,564,432	(122,843)
Nondepartmental	35,079,413	33,790,220	31,464,252	2,325,968
Total expenditures	226,315,420	240,451,859	229,972,695	10,479,164
Excess (deficit) of revenues over (under) expenditures	(63,123,203)	(64,441,725)	(50,154,888)	14,286,837
Other financing sources (uses):				
Sale of capital assets	647,883	990,472	194,853	(795,619)
Transfer in	59,296,452	59,385,087	59,642,593	257,506
Transfers out	(6,073,175)	(7,796,258)	(5,294,166)	2,502,092
Total other financing sources (uses)	53,871,160	52,579,301	54,543,280	1,963,979
Net Change in fund balances	(9,252,043)	(11,862,424)	4,388,392	16,250,816
Fund balance, beginning of year	50,978,749	50,978,749	50,978,749	-
Fund balance, end of year	$ 41,726,706	$ 39,116,325	$ 55,367,141	$ 16,250,816

See notes to required supplementary information.

City of Garland, Texas
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Last Eight Calendar Years
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	$ 19,196,960	$ 20,067,678	$ 21,522,671	$ 22,270,032	$ 23,370,261	$ 24,406,916	$ 26,203,127	$ 25,977,603
Interest	54,497,988	56,833,734	57,958,342	60,506,232	63,285,856	66,121,119	69,127,800	72,367,235
Difference between expected and actual experience	(3,135,740)	(6,147,278)	84,986	928,620	892,041	2,799,800	7,470,398	(2,381,211)
Change of assumptions	-	15,651,656	-	-	-	1,605,156	-	-
Benefit payments, including refunds of employee contributions	(36,818,136)	(38,435,413)	(42,367,920)	(42,018,404)	(44,132,351)	(47,992,826)	(54,582,524)	(54,811,345)
Net Change in Total Pension Liability	33,741,072	47,970,377	37,198,079	41,686,480	43,415,807	46,940,165	48,218,801	41,152,282
Total Pension Liability - Beginning	787,353,277	821,094,349	869,064,726	906,262,805	947,949,285	991,365,092	1,038,305,257	1,086,524,058
Total Pension Liability - Ending	$ 821,094,349	$ 869,064,726	$ 906,262,805	$ 947,949,285	$ 991,365,092	$ 1,038,305,257	$ 1,086,524,058	$ 1,127,676,340
Plan Fiduciary Net Position								
Contributions - Employer	$ 14,502,416	$ 14,462,360	$ 14,265,404	$ 15,640,715	$ 16,662,812	$ 16,995,099	$ 18,554,489	$ 18,626,665
Contributions - Employee	9,056,479	9,304,889	9,694,895	10,035,625	10,546,061	11,021,733	11,777,742	11,649,149
Net Investment Income	45,500,705	1,220,504	54,933,203	117,621,308	(28,429,765)	139,604,497	77,545,208	140,045,792
Benefit payments, including refunds of employee contributions	(36,818,136)	(38,435,413)	(42,367,920)	(42,018,404)	(44,132,351)	(47,992,826)	(54,582,524)	(54,811,345)
Administrative Expense	(475,082)	(743,428)	(620,477)	(609,672)	(549,660)	(789,265)	(502,139)	(648,494)
Other	(39,061)	(36,717)	(33,430)	(30,898)	(28,717)	(23,709)	(19,593)	4,442
Net Change in Plan Fiduciary Net Position	31,727,321	(14,227,805)	35,871,675	100,638,674	(45,931,620)	118,815,529	52,773,183	114,866,209
Plan Fiduciary Net Position - Beginning	795,438,855	827,166,176	812,938,371	848,810,046	949,448,720	903,517,100	1,022,332,629	1,075,105,812
Plan Fiduciary Net Position - Ending	$ 827,166,176	$ 812,938,371	$ 848,810,046	$ 949,448,720	$ 903,517,100	$ 1,022,332,629	$ 1,075,105,812	$ 1,189,972,021
Net Pension Liability (Asset)	$ (6,071,827)	$ 56,126,355	$ 57,452,759	$ (1,499,435)	$ 87,847,992	$ 15,972,628	$ 11,418,246	$ (62,295,681)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.74%	93.54%	93.66%	100.16%	91.14%	98.46%	98.95%	105.52%
Covered Payroll	$ 129,267,431	$ 132,898,533	$ 138,498,528	$ 143,307,799	$ 150,581,579	$ 157,362,452	$ 168,076,505	$ 166,416,417
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(4.70%)	42.23%	41.48%	(1.05%)	58.34%	10.15%	6.79%	(37.43%)

Measurement date December 31
The City of Garland implemented Statement 68 in FY2015 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
TMRS Schedule of Contributions
Last Eight Fiscal Years
(unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	$ 14,703,510	$ 15,134,606	$ 15,568,576	$ 16,665,242	$ 17,281,423	$ 17,978,839	$ 18,897,527	$ 19,328,261
Contributions in relation to the actuarially determined contribution	14,703,510	15,134,606	15,568,576	16,665,242	17,281,423	17,978,839	18,897,527	19,328,261
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 132,016,898	$ 142,253,130	$ 141,938,528	$ 148,461,246	$ 156,242,087	$ 160,756,322	$ 165,972,997	$ 167,564,375
Contributions as a percentage of covered payroll	11.14%	10.64%	10.97%	11.23%	11.06%	11.18%	11.39%	11.53%

Notes to Schedule of Contributions

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to the experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes: There were no benefit changes during the year.

The City of Garland implemented Statement 68 in FY2015 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
City of Garland other postemployment plan
Schedule of Changes in OPEB Liability and Related Ratios
Last Five Calendar Years
(unaudited)

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	$ 2,260,181	$ 2,220,788	$ 3,024,066	$ 3,024,066	$ 2,239,204
Interest	3,284,435	3,291,786	3,403,827	3,525,395	3,545,372
Difference between expected and actual experience	(1,303,593)	917,146	8,472,720	2,095,099	2,307,370
Change of assumptions	7,017,755	(5,723,188)	1,369,232	-	8,803,333
Benefit payments, including refunds of employee contributions	(3,529,580)	(4,039,931)	(4,894,085)	(5,598,096)	(7,032,293)
Net Change in Total OPEB Liability	7,729,198	(3,333,399)	11,375,760	3,046,464	9,862,986
Total OPEB Liability - Beginning	70,652,262	78,381,460	75,048,061	86,423,821	89,470,285
Total OPEB Liability - Ending	$ 78,381,460	$ 75,048,061	$ 86,423,821	$ 89,470,285	$ 99,333,271
Plan Fiduciary Net Position					
Contributions - Employer	$ 4,779,579	$ 5,374,931	$ 6,314,085	$ 7,103,096	$ 8,622,293
Net Investment Income	527,289	(266,098)	1,218,881	1,357,858	1,119,635
Benefit payments, including refunds of employee contributions	(3,529,580)	(4,039,931)	(4,894,085)	(5,598,096)	(7,032,293)
Administrative Expense	(21,120)	(32,518)	(40,759)	(50,492)	(65,244)
Net Change in Plan Fiduciary Net Position	1,756,168	1,036,384	2,598,122	2,812,366	2,644,391
Plan Fiduciary Net Position - Beginning	3,767,364	5,523,532	6,559,916	9,158,038	11,970,404
Plan Fiduciary Net Position - Ending	$ 5,523,532	$ 6,559,916	$ 9,158,038	$ 11,970,404	$ 14,614,795
Net OPEB Liability	$ 72,857,928	$ 68,488,145	$ 77,265,783	$ 77,499,881	$ 84,718,476
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	7.00%	8.70%	10.60%	13.40%	14.71%
Covered Payroll	$ 177,921,683	$ 178,663,144	$ 186,115,788	$ 198,597,431	$ 199,329,268
Net OPEB Liability as a Percentage of Covered Payroll	40.95%	38.33%	41.50%	39.00%	42.50%

Measurement date December 31
The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

Notes to Schedule:

Changes in assumptions. The initial discount rate for the 12/31/16 measurement was 4.75%.
2017-2018: The discount rate was decreased from 4.75% to 4.14%.
2018-2019: The discount rate was increased from 4.14% to 4.63%.
2019-2020: The discount rate was decreased from 4.63% to 4.02%.
2020-2021: The discount rate was increased from 4.02% to 5.15%.

City of Garland, Texas
Required Supplementary Information
City of Garland other postemployment plan
OPEB Schedule of Contributions
Last Five Fiscal Years
(unaudited)

	2018	2019	2020	2021	2022
Actuarially Determined Contribution	$ 6,502,862	$ 5,391,362	$ 8,109,928	$ 8,343,165	$ 9,090,276
Contributions in relation to the actuarially determined contribution	5,024,715	6,632,454	6,664,631	8,122,773	6,826,969
Contribution deficiency (excess)	$ 1,478,147	$ (1,241,092)	$ 1,445,297	$ 220,392	$ 2,263,307
Covered payroll	$ 148,461,246	$ 156,242,087	$ 160,756,322	$ 165,972,997	$ 167,564,375
Contributions as a percentage of covered payroll	3.38%	4.24%	4.15%	4.89%	4.07%

Notes to Schedule of Contributions

Valuation Date:	The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 18-year period. Actuarial valuation has been performed as of December 31.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	Market value
Inflation	2.5%
Salary Increases	3.0%
Discount Rate	5.15%
Healthcare cost trend rates	Capped at 3.0%
Mortality	Non-Annuitants: Sex distinct PUB 2010 general employee headcount weighted mortality table with mortality improvement scale MP-2021. Annuitants: sex distinct PUB 2010 retiree headcount weighted mortality table with mortality improvement scale MP-2021.

Other Information:

Notes

The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
TMRS Supplemental Death Benefit
Schedule of Changes in OPEB liability and Related Ratios
Last Five Calendar Year
(unaudited)

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	$ 214,962	$ 255,989	$ 236,042	$ 336,153	$ 399,399
Interest	238,314	240,384	286,023	234,005	200,979
Difference between expected and actual experience	-	497,210	(966,665)	(169,737)	(201,508)
Change of assumptions	542,752	(474,877)	1,259,391	1,249,459	297,565
Benefit payments	(57,323)	(60,233)	(62,945)	(67,232)	(216,341)
Net Change in Total OPEB Liability	938,705	458,473	751,846	1,582,648	480,094
Total OPEB Liability - Beginning	6,225,775	7,164,480	7,622,953	8,374,799	9,957,447
Total OPEB Liability - Ending	$ 7,164,480	$ 7,622,953	$ 8,374,799	$ 9,957,447	$ 10,437,541
Covered Employee Payroll	$ 143,307,799	$ 150,581,579	$ 157,362,452	$ 168,076,505	$ 166,416,417
Total OPEB Liability as a Percentage of Covered Employee Payroll	5.00%	5.06%	5.32%	5.92%	6.27%

Measurement date December 31
The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

Notes to Schedule:

Changes in assumptions. The initial discount rate for the 12/31/16 measurement was 3.81%.
The discount rate for the 12/31/17 measurement was 3.31%.
The discount rate for the 12/31/18 measurement was 3.71%.
The discount rate for the 12/31/19 measurement was 2.75%.
The discount rate for the 12/31/20 measurement was 2.00%.
The discount rate for the 12/31/21 measurement was 1.84%.

No assets accumulated in a trust meets the criteria to pay related benefits for the OPEB plan.

City of Garland, Texas
Notes to Required Supplementary Information

Budgets and Budgetary Accounting

Annual appropriations for the General Fund are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

The City Charter contains the following requirements, which are adhered to by the City Council and management, regarding preparation of the annual Budget:

1. Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted prior to September 15 to obtain taxpayer comments.
3. Prior to September 20, annual appropriations are approved through the passage of an ordinance. If the Council takes no action on or prior to such day, the budget, as submitted by the City Manager, is deemed to have been adopted by the City Council.
4. The level of control (level at which expenditures may not exceed budget) is the fund. The City Manager is authorized to transfer unexpended balances within each fund. The City Council, however, must approve any revisions in fund appropriations.

GARLAND
TEXAS MADE HERE

City of Garland, Texas
Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The City's funds accounted for as Special Revenue Funds are as follows:

Community Development Block Grant Fund (CDBG) – This fund is used to account for Federal grant revenues provided through the Department of Housing and Urban Development for the development of environmental and economic opportunities, principally for persons of low and moderate income.

Housing Assistance Program Fund – This fund is used to account for Federal revenues provided through the Department of Housing and Urban Development for housing assistance payments for low income tenants.

Neighborhood Services Fund – This fund is used to account for Federal, state, and local revenues to improve neighborhoods in low income areas.

Hotel/Motel Tax Fund – This fund is used to account for the receipt of hotel/motel occupancy taxes.

Impact Fees Fund – This fund is used to account for street and water impact fees charged to develop property.

Landfill Closure Fund – This fund is used to account for expenditures related to the landfill closure and postclosure care.

Police Training Fund – This fund is used to account for grant funding of police training.

Substandard Perimeter Road Fund – This fund is used to account for revenue received pending the construction of substandard perimeter roads and streets.

Narcotic Seizure Fund – This fund is used to account for awards and expenditures from assets acquired through narcotics arrests. The expenditures are restricted to law enforcement activities by state law.

Treasury Department Grants Fund -- This fund is used to account for Federal and state revenue to assist with expenditures related to the COVID-19 pandemic.

TIF Fund – This fund is used to account for the Downtown Tax Increment Finance Fund, TIF Zone No. 1, the Interstate 30 Corridor Tax Increment Finance Fund, TIF Zone No. 2, and the Medical District Tax Increment Finance Fund, TIF Zone No. 3. These funds are used to account for revenues and expenditures incurred in administering the tax increment financing programs.

Garland Foundation for Development (GFFD) – This fund is used to account for expenses related to the promotion of economic development with the City.

Garland Public Facility Corporation (GPFC) – This fund is used to account for expenses related to assisting the City in financing, refinancing, or providing public facilities.

City of Garland, Texas
Nonmajor Governmental Funds
Balance Sheet
September 30, 2022

	CDBG	Housing Assistance	Neighborhood Services	Hotel/Motel Tax	Impact Fees	Landfill Closure	Police Training	Substandard Perimeter Road	Narcotic Seizure	Coronavirus Recovery Grants	TIF	GFFD	GPFC	Total Other Governmental Funds
Assets														
Cash and cash equivalents	$ 467,714	$ -	$ 1,511,442	$ 1,887,225	$ 11,022,586	$ -	$ (66,554)	$ 1,099,277	$ 365,363	$ -	$ 785,090	$ 494,524	$ 299,016	$ 17,865,683
Investments	202,280	3,396	644,766	814,604	4,733,311	(196)	(835)	473,056	128,056	-	333,300	-	-	7,331,738
Receivables:														
Accrued interest	14	2	1,371	1,849	10,262	-	2	1,078	336	1,251	927	-	-	17,092
Accounts, net	406,319	-	3,116,700	-	-	-	-	-	-	-	-	-	-	3,523,019
Due from other governments	202,644	-	79,044	-	-	-	77,015	-	-	-	-	-	-	358,703
Assets held for resale	277,586	-	-	-	-	-	-	-	-	-	-	-	-	277,586
Total Current Assets	1,556,557	3,398	5,353,323	2,703,678	15,766,159	(196)	9,628	1,573,411	493,755	1,251	1,119,317	494,524	299,016	29,373,821
Restricted assets:														
Cash and cash equivalents	-	1,581,714	-	-	-	-	66,554	-	66,052	54,159,690	-	-	-	55,874,010
Total Restricted Assets	-	1,581,714	-	-	-	-	66,554	-	66,052	54,159,690	-	-	-	55,874,010
Total Assets	$ 1,556,557	$ 1,585,112	$ 5,353,323	$ 2,703,678	$ 15,766,159	$ (196)	$ 76,182	$ 1,573,411	$ 559,807	$ 54,160,941	$ 1,119,317	$ 494,524	$ 299,016	$ 85,247,831
LIABILITIES														
Current liabilities:														
Accounts payable and accrued liabilities	$ 106,967	$ 235,209	$ 286,763	$ 76,858	$ -	$ 14,960	$ 11,328	$ -	$ 12,206	$ -	$ 143,499	$ -	$ -	$ 887,790
Accrued interest-COs	-	-	-	-	-	-	-	-	-	-	3,840			3,840
Due to other funds	-	-	18,418	-	-	136,108	95,273	-	-	-	-	-	-	249,799
Escrow payable	-	-	-	-	431,275	-	-	-	147,339	-	-	-	-	578,614
Unearned revenues	683,905	-	3,116,700	-	-	-	-	-	-	53,723,162	-	-	-	57,523,767
Total Liabilities	790,872	235,209	3,421,881	76,858	431,275	151,068	106,601	-	159,545	53,723,162	147,339	-	-	59,243,810
FUND BALANCES														
Fund balances:														
Restricted	765,685	1,349,903	1,931,442	2,626,820	-	-	-	-	400,262	437,779	971,978	-	-	8,483,869
Committed	-	-	-	-	15,334,884	-	-	1,573,411	-	-	-	494,524	299,016	17,701,835
Unassigned	-	-	-	-	-	(151,264)	(30,419)	-	-	-	-	-	-	(181,683)
Total fund balances	765,685	1,349,903	1,931,442	2,626,820	15,334,884	(151,264)	(30,419)	1,573,411	400,262	437,779	971,978	494,524	299,016	26,004,021
Total Liabilities and Fund Balances	$ 1,556,557	$ 1,585,112	$ 5,353,323	$ 2,703,678	$ 15,766,159	$ (196)	$ 76,182	$ 1,573,411	$ 559,807	$ 54,160,941	$ 1,119,317	$ 494,524	$ 299,016	$ 85,247,831

City of Garland, Texas
Nonmajor Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2022

	CDBG	Housing Assistance	Neighborhood Services	Hotel/Motel Tax	Impact Fees	Landfill Closure	Police Training	Substandard Perimeter Road	Narcotic Seizure	Coronavirus Recovery Grants	TIF	GFFD	GPFC	Total Other Governmental Funds
REVENUES														
Taxes	$ -	$ -	$ -	$ 1,644,590	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,657,163	$ -	$ -	$ 4,301,753
Earnings on investments	(4,370)	9,959	456	1,344	2,804	-	465	890	490	415,419	12,179	661	-	440,297
Intergovernmental	2,454,154	15,498,649	2,068,400	-	-	-	367,838	-	-	6,000,000	-	-	-	26,389,041
Impact Fees	-	-	-	-	3,270,517	-	-	-	-	-	-	-	-	3,270,517
Contributions	-	-	500,000	-	-	-	-	-	-	-	-	-	-	500,000
Program income	33,646	-	348,015	-	-	-	-	-	-	-	-	-	-	381,661
Awards	-	-	-	-	-	-	-	-	202,494	-	-	-	-	202,494
Miscellaneous and other	-	37,054	-	-	-	-	19,457	-	5,011	-	-	186,225	300,000	547,747
Total Revenues	2,483,430	15,545,662	2,916,871	1,645,934	3,273,321	-	387,760	890	207,995	6,415,419	2,669,342	186,886	300,000	36,033,510
EXPENDITURES														
Current:														
Operations	1,961,295	15,320,408	2,687,856	1,488,395	-	128,147	366,672	-	115,175	6,000,000	668,455	173	984	28,737,560
Capital outlay	517,232	-	-	-	-	-	76,690	-	-	-	461,295	8,041,369	-	9,096,586
Debt service													-	
Principal	-	-	-	-	-	-	-	-	-	-	417,773	-	-	417,773
Interest	-	-	-	-	-	-	-	-	-	-	298,463	-	-	298,463
Total Expenditures	2,478,527	15,320,408	2,687,856	1,488,395	-	128,147	443,362	-	115,175	6,000,000	1,845,986	8,041,542	984	38,550,382
Excess (deficiency) of revenues over (under) expenditures	4,903	225,254	229,015	157,539	3,273,321	(128,147)	(55,602)	890	92,820	415,419	823,356	(7,854,656)	299,016	(2,516,872)
OTHER FINANCING SOURCES (USES)														
Transfers in	-	4,000	4,000	2,500	-	-	-	-	-	-	-	8,041,369	-	8,051,869
Transfers out	-	-	(27,815)	(328,362)	(231,874)	-	-	-	-	-	(2,059,150)	(2,236)	-	(2,649,437)
Total other financing sources (uses)	-	4,000	(23,815)	(325,862)	(231,874)	-	-	-	-	-	(2,059,150)	8,039,133	-	5,402,432
Net change in fund balances	4,903	229,254	205,200	(168,323)	3,041,447	(128,147)	(55,602)	890	92,820	415,419	(1,235,794)	184,477	299,016	2,885,560
Fund balances - beginning	760,782	1,120,649	1,726,242	2,795,143	12,293,437	(23,117)	25,183	1,572,521	307,442	22,360	2,207,772	310,047	-	23,118,461
Fund balances - ending	$ 765,685	$ 1,349,903	$ 1,931,442	$ 2,626,820	$ 15,334,884	$ (151,264)	$ (30,419)	$ 1,573,411	$ 400,262	$ 437,779	$ 971,978	$ 494,524	$ 299,016	$ 26,004,021

City of Garland, Texas
Budgetary Comparison Schedule - Community Development Grant Fund
For the year ended September 30, 2022

	Community Development Block Grant Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ (4,370)	$ (4,370)
Intergovernmental	2,490,967	2,490,967	2,454,154	(36,813)
Program income	17,000	17,000	33,646	16,646
Total revenues	2,507,967	2,507,967	2,483,430	(24,537)
Expenditures:				
Current:				
Operations	2,512,730	2,513,498	1,961,295	552,203
Capital	-	-	517,232	(517,232)
Total expenditures	2,512,730	2,513,498	2,478,527	34,971
Excess (deficiency) of revenues over (under) expenditures	(4,763)	(5,531)	4,903	10,434
Other financing sources (uses):				
Transfers in	4,763	4,763	-	-
Total other financing sources (uses)	4,763	4,763	-	-
Net change in fund balances	-	(768)	4,903	10,434
Fund balances, beginning of year	760,782	760,782	760,782	-
Fund balances end of year	$ 760,782	$ 760,014	$ 765,685	$ 10,434

CIty of Garland, Texas
Budgetary Comparison Schedule - Housing Assistance Program Fund
For the year ended September 30, 2022

	Housing Assistance Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ 9,959	$ 9,959
Intergovernmental	14,845,502	14,845,502	15,498,649	653,147
Miscellaneous	1,000	1,000	37,054	36,054
Total revenues	14,846,502	14,846,502	15,545,662	699,160
Expenditures:				
Current:				
Operations	15,157,593	15,159,715	15,320,408	(160,693)
Total expenditures	15,157,593	15,159,715	15,320,408	(160,693)
Excess (deficiency) of revenues over (under) expenditures	(311,091)	(313,213)	225,254	538,467
Other financing sources (uses):				
Transfers in	7,741	7,741	4,000	(3,741)
Transfers out	(110,000)	(110,000)	-	110,000
Total other financing sources (uses)	(102,259)	(102,259)	4,000	106,259
Net change in fund balances	(413,350)	(415,472)	229,254	644,726
Fund balances, beginning of year	1,120,649	1,120,649	1,120,649	-
Fund balances end of year	$ 707,299	$ 705,177	$ 1,349,903	$ 644,726

City of Garland, Texas
Budgetary Comparison Schedule - Neighborhood Services Funds
For the year ended September 30, 2022

	HOME Grant Fund				Summer Nutrition Fund				CASA Fund				Fair Housing Grant Fund				Total Neighborhood Services			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:																				
Earnings on investments	$ 2,300	$ 2,300	$ (4,844)	$ (7,144)	$ -	$ -	$ 74	$ 74	$ 1,500	$ 1,500	$ 5,091	$ 3,591	$ -	$ 400	$ 135	$ (265)	$ 3,800	$ 4,200	$ 456	$ (3,744)
Intergovernmental	701,303	701,303	451,380	(249,923)	-	-	-	-	-	-	-	-	-	-	1,617,020	1,617,020	701,303	701,303	2,068,400	1,367,097
Program income	300,000	300,000	344,515	44,515	-	-	-	-	100,000	100,000	3,500	(96,500)	-	-	-	-	400,000	400,000	348,015	(51,985)
Contributions	-	-	-	-	-	-	-	-	300,000	300,000	500,000	200,000	-	-	-	-	300,000	300,000	500,000	200,000
Total revenues	1,003,603	1,003,603	791,051	(212,552)	-	-	74	74	401,500	401,500	508,591	107,091	-	400	1,617,155	1,616,755	1,405,103	1,405,503	2,916,871	1,511,368
Expenditures:																				
Current:																				
Operations	1,003,603	1,003,603	648,182	355,421	-	-	65	(65)	400,000	400,273	282,434	117,839	91,619	91,691	1,757,175	(1,665,484)	1,495,222	1,495,567	2,687,856	(1,192,289)
Total expenditures	1,003,603	1,003,603	648,182	355,421	-	-	65	(65)	400,000	400,273	282,434	117,839	91,619	91,691	1,757,175	(1,665,484)	1,495,222	1,495,567	2,687,856	(1,192,289)
Excess (deficiency) of revenues over (under) expenditures	-	-	142,869	142,869	-	-	9	9	1,500	1,227	226,157	224,930	(91,619)	(91,291)	(140,020)	(48,729)	(90,119)	(90,064)	229,015	319,079
Other financing sources (uses):																				
Transfers in	-	-	-	-	-	-	-	-	-	-	3,500	3,500	596	596	500	96	596	596	4,000	3,404
Transfers out	-	-	-	-	(10,735)	(27,815)	(27,815)	-	-	-	-	-	-	-	-	-	(10,735)	(27,815)	(27,815)	-
Total other financing sources (uses)	-	-	-	-	(10,735)	(27,815)	(27,815)	-	-	-	3,500	3,500	596	596	500	96	(10,139)	(27,219)	(23,815)	3,404
Net change in fund balances	-	-	142,869	142,869	(10,735)	(27,815)	(27,806)	9	1,500	1,227	229,657	228,430	(91,023)	(90,695)	(139,520)	(48,633)	(100,258)	(117,283)	205,200	322,483
Fund balances, beginning of year	1,040,636	1,040,636	1,040,636	-	27,816	27,816	27,816	-	531,637	531,637	531,637	-	126,153	126,153	126,153	-	1,726,242	1,726,242	1,726,242	-
Fund balances end of year	$ 1,040,636	$ 1,040,636	$ 1,183,505	$ 142,869	$ 17,081	$ 1	$ 10	$ 9	$ 533,137	$ 532,864	$ 761,294	$ 228,430	$ 35,130	$ 35,458	$ (13,367)	$ (48,633)	$ 1,625,984	$ 1,608,959	$ 1,931,442	$ 322,483

City of Garland, Texas
Budgetary Comparison Schedule - Hotel/Motel Tax Fund
For the Year Ended September 30, 2022

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Occupancy taxes	$ 1,300,000	$ 1,500,000	$ 1,644,590	$ 144,590
Earnings on investments	11,980	13,830	1,344	(12,486)
Total revenues	1,311,980	1,513,830	1,645,934	132,104
Expenditures:				
Current:				
Operations	1,436,126	1,622,193	1,488,395	133,798
Total expenditures	1,436,126	1,622,193	1,488,395	133,798
Excess (deficiency) of revenues over (under) expenditures	(124,146)	(108,363)	157,539	265,902
Other financing sources (uses):				
Transfers in	2,382	2,382	2,500	(118)
Transfers out	(328,823)	(328,935)	(328,362)	573
Total other financing sources (uses)	(326,441)	(326,553)	(325,862)	455
Net change in fund balances	(450,587)	(434,916)	(168,323)	266,357
Fund balances, beginning of year	2,795,143	2,795,143	2,795,143	-
Fund balances end of year	$ 2,344,556	$ 2,360,227	$ 2,626,820	$ 266,357

City of Garland, Texas
Budgetary Comparison Schedule - Police Training Grant Fund
For the year ended September 30, 2022

	Police Training Grant Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ 465	$ 465
Intergovernmental	432,519	397,330	367,838	(29,492)
Miscellaneous	-	-	19,457	19,457
Total revenues	432,519	397,330	387,760	(9,570)
Expenditures:				
Current:				
Operations	325,328	332,723	366,672	(33,949)
Capital	107,191	64,607	76,690	(12,083)
Total expenditures	432,519	397,330	443,362	(46,032)
Excess (deficiency) of revenues over (under) expenditures	-	-	(55,602)	(55,602)
Net change in fund balances	-	-	(55,602)	(55,602)
Fund balances, beginning of year	25,183	25,183	25,183	-
Fund balances end of year	$ 25,183	$ 25,183	$ (30,419)	$ (55,602)

City of Garland, Texas
Budgetary Comparison Schedule - Narcotic Seizure Fund
For the year ended September 30, 2022

	Narcotic Seizure			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ 1,400	$ 2,000	$ 490	$ (1,510)
Awards	50,500	141,545	202,494	60,949
Miscellaneous	-	-	5,011	5,011
Total revenues	51,900	143,545	207,995	64,450
Expenditures:				
Current:				
Operations	100,000	134,880	115,175	19,705
Total expenditures	100,000	134,880	115,175	19,705
Excess (deficiency) of revenues over (under) expenditures	(48,100)	8,665	92,820	84,155
Net change in fund balances	(48,100)	8,665	92,820	84,155
Fund balances, beginning of year	307,442	307,442	307,442	-
Fund balances end of year	$ 259,342	$ 316,107	$ 400,262	$ 84,155

City of Garland, Texas
Budgetary Comparison Schedule - Coronavirus Recovery Fund
For the year ended September 30, 2022

	Coronavirus Recovery Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ 11,725	$ 27,900	$ 415,419	$ 387,519
Intergovernmental	26,950,641	29,717,350	6,000,000	(23,717,350)
Total revenues	26,962,366	29,745,250	6,415,419	(23,329,831)
Expenditures:				
Current:				
Operations	7,987,870	7,543,090	6,000,000	1,543,090
Total expenditures	7,987,870	7,543,090	6,000,000	1,543,090
Excess (deficiency) of revenues over (under) expenditures	18,974,496	22,202,160	415,419	(21,786,741)
Net change in fund balances	18,974,496	22,202,160	415,419	(21,786,741)
Fund balances, beginning of year	22,360	22,360	22,360	-
Fund balances end of year	$ 18,996,856	$ 22,224,520	$ 437,779	$ (21,786,741)

City of Garland, Texas
Budgetary Comparison Schedule - Tax Increment Financing Zones
For the year ended September 30, 2022

	Interstate Highway 30 TIF Fund				Downtown TIF Fund				Medical District TIF Fund				Total TIF funds			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:																
Occupancy taxes	$ 789,031	$ 777,425	$ 779,435	$ 2,010	$ 1,434,514	$ 1,389,198	$ 1,392,269	$ 3,071	$ 493,951	$ 479,025	$ 485,459	$ 6,434	$ 2,717,496	$ 2,645,648	$ 2,657,163	$ 11,515
Earnings on investments	196	1,000	3,058	2,058	5,400	11,400	9,564	(1,836)	187	1,700	(443)	(2,143)	5,783	14,100	12,179	(1,921)
Total revenues	789,227	778,425	782,493	4,068	1,439,914	1,400,598	1,401,833	1,235	494,138	480,725	485,016	4,291	2,723,279	2,659,748	2,669,342	9,594
Expenditures:																
Current:																
Operations	66,490	65,204	65,204	-	507,116	879,186	603,251	275,935	-	-	-	-	573,606	944,390	668,455	275,935
Capital	-	-	-	-	-	-	461,295	(461,295)	-	-	-	-	-	-	461,295	(461,295)
Debt Service																
Principal	417,773	417,773	417,773	-	320,000	-	-	-	-	-	-	-	737,773	417,773	417,773	-
Interest	304,964	295,965	298,463	2,498	34,850	-	-	-	-	-	-	-	339,814	295,965	298,463	(2,498)
Total expenditures	789,227	778,942	781,440	2,498	861,966	879,186	1,064,546	(185,360)	-	-	-	-	1,651,193	1,658,128	1,845,986	(187,858)
Excess (deficiency) of revenues over (under) expenditures	-	(517)	1,053	1,570	577,948	521,412	337,287	(184,125)	494,138	480,725	485,016	4,291	1,072,086	1,001,620	823,356	(178,264)
Other financing sources (uses):																
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-				
Transfers in	-	-	-	-	596	596	-	(596)	-	-	-	-	596	596	-	(596)
Transfers out	-	-	-	-	(1,560,805)	(2,409,315)	(2,059,150)	350,165	-	-	-	-	(1,560,805)	(2,409,315)	(2,059,150)	350,165
Total other financing sources (uses)	-	-	-	-	(1,560,209)	(2,408,719)	(2,059,150)	349,569	-	-	-	-	(1,560,209)	(2,408,719)	(2,059,150)	349,569
Net change in fund balances	-	(517)	1,053	1,570	(982,261)	(1,887,307)	(1,721,863)	165,444	494,138	480,725	485,016	4,291	(488,123)	(1,407,099)	(1,235,794)	171,305
Fund balances, beginning of year	518	518	518	-	2,027,745	2,013,652	2,013,652	-	193,602	193,602	193,602	-	2,221,865	2,207,772	2,207,772	-
Fund balances end of year	$ 518	$ 1	$ 1,571	$ 1,570	$ 1,045,484	$ 126,345	$ 291,789	$ 165,444	$ 687,740	$ 674,327	$ 678,618	$ 4,291	$ 1,733,742	$ 800,673	$ 971,978	$ 171,305

City of Garland, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
General property taxes	$ 67,263,537	$ 67,260,752	$ 67,696,316	$ 435,564
Earnings on investments	15,000	30,000	66,138	36,138
Miscellaneous	685,471	685,471	7,991	(677,480)
Total Revenues	67,964,008	67,976,223	67,770,445	(205,778)
Expenditures:				
Principal retirement	30,620,000	30,730,000	30,312,227	417,773
Interest	10,784,375	10,553,682	10,257,024	296,658
Fiscal charges	200,000	230,000	138,298	91,702
Total Expenditures	41,604,375	41,513,682	40,707,549	806,133
Excess of revenues over expenditures	26,359,633	26,462,541	27,062,896	600,355
Other financing sources (uses):				
Transfers in	1,077,587	713,738	685,471	(28,267)
Transfers out	(29,432,063)	(29,432,063)	(29,432,063)	-
Total other financing sources (uses)	(28,354,476)	(28,718,325)	(28,746,592)	(28,267)
Net change in fund balances	(1,994,843)	(2,255,784)	(1,683,696)	572,088
Fund balance, beginning of year	8,328,386	8,328,386	8,328,386	-
Fund balance, end of year	$ 6,333,543	$ 6,072,602	$ 6,644,690	$ 572,088

City of Garland, Texas
Nonmajor Enterprise Funds

Nonmajor Enterprise Funds

The Nonmajor Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that costs of providing goods and services to the general public on a continuing basis will be financed or recovered through user charges.

Golf Fund – This fund is used to account for the resources and expense associated with a public golf course, administered by a golf professional under the direct supervision of the City Manager.

Heliport Fund – This fund is used to account for the resources and expenses associated with the operations of a heliport.

Storm Water Management Fund – This fund is used to account for the resources and expenses associated with controlling the quality of storm water discharges into lakes and streams.

Parks Performance Fund – This fund is used to account for the resources and expense associated with the operation of recreation activities that receive revenues from user fees.

Sanitation Fund – This fund is used to account for the resources and expenses associated with the collection and recycling of residential and commercial waste.

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Net Position
September 30, 2022

	Business-Type Activities - Enterprise Funds					
	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
ASSETS						
Current assets						
Unrestricted						
Cash and cash equivalents	$ 868,366	$ 44,194	$ 1,702,822	$ 351,071	$ 533,188	$ 3,499,641
Investments	372,201	19,384	729,559	148,929	235,743	1,505,816
Receivable, net of allowance	60,913	-	466,071	-	2,470,840	2,997,824
Accrued interest	700	63	1,656	272	493	3,184
Inventories	45,826	-	-	-	-	45,826
Total current assets	1,348,006	63,641	2,900,108	500,272	3,240,264	8,052,291
Noncurrent assets						
Restricted assets						
Construction funds:						
Cash and cash equivalents	485,008	-	-	-	2,549,911	3,034,919
Investments	206,604	-	(773)	-	1,080,958	1,286,789
Accrued interest	386	-	-	-	2,061	2,447
Total construction funds	691,998	-	(773)	-	3,632,930	4,324,155
Capital Assets						
Land	9,111,400	1,776,208	-	-	567,992	11,455,600
System	18,073,160	746,069	6,061,849	198,978	29,564,706	54,644,762
Construction in progress	284,600	-	-	-	-	284,600
Less accumulated depreciation	(13,875,268)	(719,379)	(3,777,666)	(196,090)	(20,096,008)	(38,664,411)
Net capital assets	13,593,892	1,802,898	2,284,183	2,888	10,036,690	27,720,551
Net pension asset	355,085	-	541,972	-	1,781,657	2,678,714
Total noncurrent assets	14,640,975	1,802,898	2,825,382	2,888	15,451,277	34,723,420
Total assets	$ 15,988,981	$ 1,866,539	$ 5,725,490	$ 503,160	$ 18,691,541	$ 42,775,711
Deferred charges on debt refundings	-	-	-	-	22	22
Deferred charges on pensions	114,561	-	175,557	-	578,178	868,296
Deferred charges on OPEB	150,166	-	225,249	-	816,527	1,191,942
Total deferred outflows	$ 264,727	$ -	$ 400,806	$ -	$ 1,394,727	$ 2,060,260

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Net Position
September 30, 2022

	Business-Type Activities - Enterprise Funds					
	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
LIABILITIES						
Current Liabilities						
Payable from current assets:						
Accounts payable and accrued liabilities	$ 247,034	$ -	$ 146,639	$ 21,525	$ 597,882	$ 1,013,080
Accrued general obligation interest	-	-	-	-	83	83
Accrued certificates of obligation interest	-	-	11,083	-	107,353	118,436
Certificates of obligation	-	-	385,000	-	2,780,000	3,165,000
Due to other funds	-	-	148,330	-	-	148,330
Compensated absences	81,727	-	66,360	-	233,569	381,656
Total current liabilities	328,761	-	757,412	21,525	3,718,887	4,826,585
Long-term Liabilities						
Payable from restricted assets:						
Accounts payable	21,600	-	-	-	-	21,600
Retainage payable	-	-	7,923	-	-	7,923
Total payable from restricted assets	21,600	-	7,923	-	-	29,523
General obligation bonds (net of unamortized premium)	-	-	-	-	15,823	15,823
Certificates of obligation (net of unamortized premium)	-	-	575,164	-	8,998,726	9,573,890
Net OPEB liability	724,308	-	1,086,463	-	3,938,427	5,749,198
Compensated absences	60,011	-	2,196	-	76,180	138,387
Total long-term liabilities	784,319	-	1,663,823	-	13,029,156	15,477,298
Total Liabilities	1,134,680	-	2,429,158	21,525	16,748,043	20,333,406
Deferred inflow of resources-pensions	420,578	-	642,870	-	2,114,758	3,178,206
Deferred inflow of resources-OPEB	17,193	-	25,790	-	93,489	136,472
Total deferred inflows	437,771	-	668,660	-	2,208,247	3,314,678
NET POSITION						
Net investment in capital assets	14,264,290	1,802,898	1,315,323	2,888	1,875,093	19,260,492
Unrestricted (deficit)	416,967	63,641	1,713,155	478,747	(745,115)	1,927,395
Total net position	$ 14,681,257	$ 1,866,539	$ 3,028,478	$ 481,635	$ 1,129,978	$ 21,187,887

City of Garland
Nonmajor Enterprise Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2022

	Business-Type Activities - Enterprise Funds					
	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
OPERATING REVENUES						
Charges for services	$ 4,556,754	$ 7,937	$ 5,046,990	$ 1,224,679	$ 23,390,261	$ 34,226,621
Other	(8,758)	-	615	114,870	12,818	119,545
Total Operating Revenues	4,547,996	7,937	5,047,605	1,339,549	23,403,079	34,346,166
OPERATING EXPENSES						
Salaries and benefits	2,078,313	-	1,956,243	113,784	6,703,817	10,852,157
Landfill fees	-	-	-	-	3,339,978	3,339,978
Maintenance, repairs, and supplies	1,671,219	107,500	1,342,316	793,624	5,693,498	9,608,157
Insurance and other expenses	73,835	-	129,430	-	691,155	894,420
General and administrative	10,481	-	468,095	21,656	2,440,266	2,940,498
Claims	21,360	-	66,325	-	240,429	328,114
Depreciation	862,847	2,669	449,982	1,156	3,303,215	4,619,869
Total Operating Expenses	4,718,055	110,169	4,412,391	930,220	22,412,358	32,583,193
Total Operating Income (Loss)	(170,059)	(102,232)	635,214	409,329	990,721	1,762,973
NONOPERATING REVENUES (EXPENSES)						
Gain (loss) on sale of capital assets	-	-	-	8,701	17,300	26,001
Investment income	377	158	1,975	(836)	940	2,614
Interest expense	-	-	(17,286)	-	(140,880)	(158,166)
Income (loss) before transfers	(169,682)	(102,074)	619,903	417,194	868,081	1,633,422
TRANSFERS						
Transfers in	986,000	-	9,500	-	35,500	1,031,000
Transfers out	(770)	-	(29,292)	(100,000)	(1,585,893)	(1,715,955)
Total transfers	985,230	-	(19,792)	(100,000)	(1,550,393)	(684,955)
NET INCOME (LOSS)	815,548	(102,074)	600,111	317,194	(682,312)	948,467
Net position, beginning of year	13,865,709	1,968,613	2,428,367	164,441	1,812,290	20,239,420
Net position, end of year	$ 14,681,257	$ 1,866,539	$ 3,028,478	$ 481,635	$ 1,129,978	$ 21,187,887

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Cash Flows
For the Year Ended September 30, 2022

	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
Cash flows from operating activities:						
Cash received from customers	$ 4,561,915	$ 7,937	$ 5,029,900	$ 1,224,703	$ 23,111,648	$ 33,936,103
Cash payments for goods and services	(1,697,852)	(107,500)	(1,961,383)	(802,109)	(12,056,487)	(16,625,331)
Cash payments to employees for services	(2,225,301)	-	(2,183,752)	(113,784)	(7,434,397)	(11,957,234)
Other operating revenues	(8,758)	-	615	114,870	12,818	119,545
Net cash provided by (used for) operating activities	630,004	(99,563)	885,380	423,680	3,633,582	5,473,083
Cash flows from non-capital financing activities:						
Due to other funds - decrease	-	-	(48,498)	-	-	(48,498)
Transfers in	986,000	-	9,500	-	35,500	1,031,000
Transfers out	(770)	-	(29,292)	(100,000)	(1,585,893)	(1,715,955)
Net cash provided by (used for) non-capital financing activities	985,230	-	(68,290)	(100,000)	(1,550,393)	(733,453)
Cash flows from capital and related financing activities:						
Certificate of obligation issues	-	-	515,000	-	3,615,000	4,130,000
Premium on issuance of debt	-	-	31,718	-	223,040	254,758
Acquisition of capital assets	(554,915)	-	(1,056,947)	-	(1,842,483)	(3,454,345)
Principal paid on certificates of obligation	-	-	(405,000)	-	(2,600,000)	(3,005,000)
Interest paid on certificates of obligation	-	-	(28,976)	-	(447,324)	(476,300)
Interest paid on general obligation bonds	-	-	-	-	(651)	(651)
Proceeds from sale of capital assets	-	-	-	8,700	17,300	26,000
Net cash provided by (used for) capital and related financing activities	(554,915)	-	(944,205)	8,700	(1,035,118)	(2,525,538)
Cash flows from investing activities:						
Purchase of investment securities	(654,049)	(16,817)	(647,967)	(181,463)	(1,429,390)	(2,929,686)
Proceeds from the sale and maturity of investment securities	256,017	31,567	449,164	66,486	805,313	1,608,547
Interest received on investments	(101)	236	2,345	(1,009)	958	2,429
Net cash provided by (used for) investing activities	(398,133)	14,986	(196,458)	(115,986)	(623,119)	(1,318,710)
Net increase (decrease) in cash and cash equivalents	662,186	(84,577)	(323,573)	216,394	424,952	895,382
Cash and cash equivalents at beginning of year	691,188	128,771	2,026,395	134,677	2,658,147	5,639,178
Cash and cash equivalents at end of year	$ 1,353,374	$ 44,194	$ 1,702,822	$ 351,071	$ 3,083,099	$ 6,534,560
Reconciliation to Statement of Net Position						
Cash and cash equivalents	$ 868,366	$ 44,194	$ 1,702,822	$ 351,071	$ 533,188	$ 3,499,641
Construction fund cash and cash equivalents	485,008	-	-	-	2,549,911	3,034,919
Total cash and cash equivalents	$ 1,353,374	$ 44,194	$ 1,702,822	$ 351,071	$ 3,083,099	$ 6,534,560

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Cash Flows
For the Year Ended September 30, 2022

	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
Reconciliation of operating loss to net cash provided by (used for) operating activities:						
Operating income (loss)	$ (170,059)	$ (102,232)	$ 635,214	$ 409,329	$ 990,721	$ 1,762,973
Adjustments:						
Depreciation	862,847	2,669	449,982	1,156	3,303,215	4,619,869
Provision for uncollectible accounts	-	-	(444)	-	10,013	9,569
Change in assets and liabilities:						
Decrease in pension related deferred outflows	14,212	-	21,693	-	71,311	107,216
Increase in OPEB related deferred outflows	(25,900)	-	(38,850)	-	(140,830)	(205,580)
Decrease in inventory	5,993	-	-	-	-	5,993
Increase in net pension assets	(355,085)	-	(541,972)	-	(1,781,657)	(2,678,714)
Decrease in net pension liability	(65,084)	-	(99,339)	-	(326,562)	(490,985)
(Increase) decrease in accounts receivable	5,161	-	(16,646)	24	(288,626)	(300,087)
Increase in accounts payable	51,692	-	12,743	13,171	232,697	310,303
Increase in compensated absences	3,227	-	1,767	-	23,132	28,126
Increase in OPEB liability	58,600	-	87,902	-	318,642	465,144
Increase in pension related deferred inflows	255,742	-	390,342	-	1,283,195	1,929,279
Decrease in OPEB related deferred inflows	(11,342)	-	(17,012)	-	(61,669)	(90,023)
Total adjustments	800,063	2,669	250,166	14,351	2,642,861	3,710,110
Net cash provided by (used for) operating activities	$ 630,004	$ (99,563)	$ 885,380	$ 423,680	$ 3,633,582	$ 5,473,083
Non-cash transactions:						
Change in restricted accounts payable	(5,180)	-	-	-	-	(5,180)
Increase in fair value of investments	12,765	417	16,079	3,315	29,110	61,686

City of Garland, Texas
Internal Service Funds

Internal Service Funds

The Internal Service Funds account for the financing of goods or services and insurance premiums and claims provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis.

Group Health Fund – This fund is used to account for an employee medical insurance plan which is administered by a third party. The City makes deposits to the fund each pay period for each employee covered by this medical insurance plan and payment of employees' medical claims are made from this fund.

Self Insurance Fund – This fund is used to account for proceeds from other funds for the payment of claims and to provide a loss reserve for potential future major unanticipated claims.

LTD Insurance Fund – This fund is used to account for proceeds from other funds and employees for the payment of long-term disability claims and to provide a loss reserve for potential future claims.

Fleet Services Fund – This fund is used to account for the cost of operating a centralized fleet maintenance garage, which performs repair and maintenance services for City vehicles.

Vehicle Replacement Fund – This fund is used to account for the proceeds from other funds for the systematic replacement of City vehicles.

Information Technology Fund – This fund is used to account for activities related to administration, operation, and maintenance of the City's electronic data processing and communication systems.

Facilities Management Fund – This fund is used to account for activities related to maintenance and management of City buildings and facilities.

Warehouse Fund – This fund is used to account for the activities related to operation of the City's warehouse center for storage and distribution of supplies.

Customer Service Fund – This fund is used to account for activities related to establishing accounts, meter reading, billing and collection of revenue, and responding to customer inquiries from the day to day operations of City utilities.

City of Garland, Texas
Internal Service Funds
Statement of Net Position
September 30, 2022

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Total Internal Service Funds
ASSETS										
Current assets:										
Unrestricted										
Cash and cash equivalents	$ 3,773,149	$ 3,608,117	$ 1,416,139	$ 351,225	$ 8,140,513	$ 11,578,413	$ 788,535	$ -	$ 15,501,781	$ 45,157,872
Investments	1,647,719	1,556,104	610,383	155,731	3,468,302	4,937,144	339,356	-	6,552,094	19,266,833
Accrued interest	3,632	3,364	1,386	316	7,374	9,239	894	-	14,471	40,676
Other Receivables	390,138	425,174	-	2,559	-	38,259	993	-	725,654	1,582,777
Inventories	-	-	-	380,090	-	-	-	8,555,489	-	8,935,579
Prepaid expense	-	-	-	-	-	9,342	-	-	-	9,342
Total current assets	5,814,638	5,592,759	2,027,908	889,921	11,616,189	16,572,397	1,129,778	8,555,489	22,794,000	74,993,079
Noncurrent assets:										
Restricted										
Construction funds:										
Cash and cash equivalents	-	-	-	8,110	-	27,056	-	4,202	24,189	63,557
Investments	-	-	-	2,732	-	33,689	-	1,808	1,204	39,433
Accrued interest	-	-	-	8	-	21	-	4	24	57
Total construction funds	-	-	-	10,850	-	60,766	-	6,014	25,417	103,047
Capital assets										
Land	-	-	-	-	-	136,810	-	-	221,949	358,759
System	21,834	-	-	4,628,375	42,409,061	57,633,356	176,728	258,715	31,768,147	136,896,216
Construction in progress	-	-	-	-	-	15,059,631	-	-	-	15,059,631
Less accumulated depreciation	(21,834)	-	-	(2,280,629)	(32,525,613)	(44,910,556)	(83,641)	(258,256)	(15,109,790)	(95,190,319)
Net capital assets	-	-	-	2,347,746	9,883,448	27,919,241	93,087	459	16,880,306	57,124,287
Net pension assets	330,167	199,346	-	716,400	-	1,962,314	728,859	180,657	1,825,264	5,943,007
Total noncurrent assets	330,167	199,346	-	3,074,996	9,883,448	29,942,321	821,946	187,130	18,730,987	63,170,341
Total assets	6,144,805	5,792,105	2,027,908	3,964,917	21,499,637	46,514,718	1,951,724	8,742,619	41,524,987	138,163,420
Deferred Outflows of Resources										
Deferred charges on debt	-	-	-	-	-	4,664	-	-	4,608	9,272
Deferred charges on pensions	106,797	65,386	-	232,442	-	636,365	237,162	57,978	591,890	1,928,020
Deferred charges on OPEB	112,624	46,927	-	328,488	-	591,278	328,488	93,854	882,225	2,383,884
Total deferred outflows	219,421	112,313	-	560,930	-	1,232,307	565,650	151,832	1,478,723	4,321,176
LIABILITIES										
Current Liabilities:										
Payable from current assets										
Accounts payable and accrued liabilities	(1,311,248)	173,654	68,319	635,828	621,202	1,681,359	409,892	886,209	1,401,652	4,566,867
Accrued interest payable:										
General obligation bonds	-	-	-	-	-	8,798	-	-	67,186	75,984
Certificates of obligation	-	-	-	6,410	-	52,244	-	-	-	58,654
Customer deposits	-	-	-	-	-	-	-	-	20,075,262	20,075,262
Due to other funds	-	-	-	-	-	-	-	3,773,927	-	3,773,927
Compensated absences	43,427	26,569	-	89,925	-	349,990	119,344	27,090	285,941	942,286
Insurance claims payable	2,683,918	2,774,500	490,000	-	-	-	-	-	-	5,948,418
General obligation bonds	-	-	-	-	-	225,000	-	-	1,380,000	1,605,000
Certificates of obligation	-	-	-	75,000	-	700,000	-	-	-	775,000
Total current liabilities	1,416,097	2,974,723	558,319	807,163	621,202	3,017,391	529,236	4,687,226	23,210,041	37,821,398
Long-term Liabilities:										
Payable from restricted assets										
Accounts payable	-	-	-	-	-	1,898	-	-	-	1,898
Total payable from restricted assets	-	-	-	-	-	1,898	-	-	-	1,898
Advances from other funds	-	-	-	-	-	-	-	3,896,269	-	3,896,269
Certificates of obligation (net of amortized bond premium)	-	-	-	1,403,096	-	4,021,416	-	-	-	5,424,512
General obligation bonds (net of amortized bond premium and defeased debt cost)	-	-	-	-	-	1,340,109	-	-	10,014,225	11,354,334
Compensated absences	3,889	367	-	34,914	-	153,981	53,398	5,938	32,609	285,096
Insurance claims payable	-	2,880,387	3,187,127	-	-	-	-	-	-	6,067,514
Net OPEB liability	543,231	226,346	-	1,584,425	-	2,851,964	1,584,425	452,693	4,255,312	11,498,396
Total Long-term Liabilities	547,120	3,107,100	3,187,127	3,022,435	-	8,367,470	1,637,823	4,354,900	14,302,146	38,526,121
Total Liabilities	1,963,217	6,081,823	3,745,446	3,829,598	621,202	11,386,759	2,167,059	9,042,126	37,512,187	76,349,417
Deferred Inflows of resources										
Deferred charges on debt	-	-	-	-	-	287	-	-	9,823	10,110
Deferred charges on pensions	391,431	237,545	-	850,284	-	2,328,605	865,976	213,568	2,165,932	7,053,341
Deferred charges on OPEB	12,895	5,373	-	37,610	-	67,699	37,610	10,746	101,011	272,944
Total deferred inflows	404,326	242,918	-	887,894	-	2,396,591	903,586	224,314	2,276,766	7,336,395
NET POSITION										
Net investment in capital assets	-	-	-	880,500	9,883,448	21,695,961	93,087	6,473	5,506,283	38,065,752
Unrestricted	3,996,683	(420,323)	(1,717,538)	(1,072,145)	10,994,987	12,267,714	(646,358)	(378,462)	(2,291,526)	20,733,032
Total net position	$ 3,996,683	$ (420,323)	$ (1,717,538)	$ (191,645)	$ 20,878,435	$ 33,963,675	$ (553,271)	$ (371,989)	$ 3,214,757	$ 58,798,784

City of Garland, Texas
Internal Service Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2022

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Total Internal Service Funds
OPERATING REVENUES:										
Charges for services	$ -	$ -	$ -	$ 9,734,911	$ 4,308,047	$ 26,940,972	$ 8,821,601	$ 1,040,802	12,947,744	$ 63,794,077
Premiums	37,851,800	9,073,494	465,294	-	-	-	-	-	-	47,390,588
Other	5,080,950	810,899	-	10,837	-	385,871	-	11,310	161,746	6,461,613
Total Operating Revenues	42,932,750	9,884,393	465,294	9,745,748	4,308,047	27,326,843	8,821,601	1,052,112	13,109,490	117,646,278
OPERATING EXPENSES:										
Salaries and benefits	1,316,385	1,436,777	-	2,324,058	-	6,874,854	2,106,539	614,605	5,959,711	20,632,929
Maintenance, repairs, and other	396,281	283,637	-	6,638,863	99,360	10,325,235	6,295,265	94,889	2,012,539	26,146,069
Premiums	6,405,506	4,737,145	-	-	-	-	-	-	-	11,142,651
Claims	32,137,690	822,870	1,224,323	46,724	-	84,103	46,724	13,350	125,488	34,501,272
Administrative services	671,221	69,465	70,132	-	-	-	-	-	-	810,818
General and administrative	374,446	255,758	-	946,739	-	1,505,457	794,695	270,392	3,154,122	7,301,609
Depreciation	-	-	-	114,480	4,486,631	4,566,190	22,983	3,714	831,323	10,025,321
Total Operating Expenses	41,301,529	7,605,652	1,294,455	10,070,864	4,585,991	23,355,839	9,266,206	996,950	12,083,183	110,560,669
Total Operating Income (Loss)	1,631,221	2,278,741	(829,161)	(325,116)	(277,944)	3,971,004	(444,605)	55,162	1,026,307	7,085,609
NONOPERATING REVENUES (EXPENSES):										
Investment income	(1,007)	(17,258)	1,181	(2,536)	(880)	(9,038)	2,870	3	9,844	(16,821)
Interest expense	-	-	-	(39,074)	-	(95,149)	-	-	(287,344)	(421,567)
Gain (loss) on sale of capital assets	-	-	-	-	472,774	-	-	-	-	472,774
Total nonoperating revenues (expenses)	(1,007)	(17,258)	1,181	(41,610)	471,894	(104,187)	2,870	3	(277,500)	34,386
Income (loss) before transfers	1,630,214	2,261,483	(827,980)	(366,726)	193,950	3,866,817	(441,735)	55,165	748,807	7,119,995
TRANSFERS										
Transfers in	338,339	(349,323)	-	1,222,949	682,488	24,000	12,000	5,000	617,676	2,553,129
Transfers out	-	(135)	-	10,927	-	(2,736)	(5,617)	(1,671)	(17,703)	(16,935)
Net transfers	338,339	(349,458)	-	1,233,876	682,488	21,264	6,383	3,329	599,973	2,536,194
NET INCOME (LOSS)	1,968,553	1,912,025	(827,980)	867,150	876,438	3,888,081	(435,352)	58,494	1,348,780	9,656,189
Net position, beginning of year	2,028,130	(2,332,348)	(889,558)	(1,058,795)	20,001,997	30,075,594	(117,919)	(430,483)	1,865,977	49,142,595
Net position, end of year	$ 3,996,683	$ (420,323)	$ (1,717,538)	$ (191,645)	$ 20,878,435	$ 33,963,675	$ (553,271)	$ (371,989)	3,214,757	$ 58,798,784

City of Garland, Texas
Internal Service Funds
Statement of Cash Flows
For the Year Ended September 30, 2022

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Internal Service Funds
Cash flows from operating activities:										
Cash received from customers	$ 38,039,094	$ 8,762,739	$ 465,294	$ 9,732,352	$ 4,308,047	$ 26,936,082	$ 8,820,608	$ 1,040,802	$ 12,860,328	$ 110,965,346
Cash received for customer deposits	-	-	-	-	-	-	-	-	1,314,170	1,314,170
Cash payments for goods and services	(42,456,999)	(5,943,845)	(447,938)	(7,609,170)	14,425	(10,785,335)	(6,987,904)	(2,417,743)	(4,717,249)	(81,351,758)
Cash payments to employees for services	(1,455,011)	(2,535,168)	-	(2,621,211)	-	(7,695,582)	(2,413,650)	(684,799)	(6,706,431)	(24,111,852)
Other operating revenues	5,080,950	810,899	-	10,837	-	385,871	-	11,310	161,746	6,461,613
Net cash provided by (used for) operating activities	(791,966)	1,094,625	17,356	(487,192)	4,322,472	8,841,036	(580,946)	(2,050,430)	2,912,564	13,277,519
Cash flows from non-capital financing activities:										
Due to other funds - increase (decrease)	-	-	-	(105,333)	-	(69,531)	-	2,047,100	-	1,872,236
Transfers in	338,339	(349,323)	-	1,222,949	682,488	24,000	12,000	5,000	617,676	2,553,129
Transfers out	-	(135)	-	10,927	-	(2,736)	(5,617)	(1,671)	(17,703)	(16,935)
Net cash provided by (used for) non-capital financing activities	338,339	(349,458)	-	1,128,543	682,488	(48,267)	6,383	2,050,429	599,973	4,408,430
Cash flows from capital and financing activities:										
Certificate of obligation issues	-	-	-	-	-	2,370,000	-	-	-	2,370,000
Premium on issuance of debt	-	-	-	-	-	146,143	-	-	-	146,143
Acquisition of capital assets	-	-	-	-	(3,915,570)	(7,509,592)	(74,354)	-	-	(11,499,516)
Principal paid on certificates of obligation	-	-	-	(85,000)	-	(270,000)	-	-	-	(355,000)
Principal paid on general obligation bonds	-	-	-	-	-	(215,000)	-	-	(1,315,000)	(1,530,000)
Interest paid on certificates of obligation	-	-	-	(52,144)	-	(105,075)	-	-	-	(157,219)
Interest paid on general obligations	-	-	-	-	-	(74,224)	-	-	(558,675)	(632,899)
Proceeds from sale of assets	-	-	-	-	551,992	-	-	-	-	551,992
Net cash used for financing activities	-	-	-	(137,144)	(3,363,578)	(5,657,748)	(74,354)	-	(1,873,675)	(11,106,499)
Cash flows from investing activities:										
Purchase of investment securities	(1,435,777)	(1,372,979)	(538,877)	(219,841)	(3,097,670)	(4,644,683)	(300,057)	(1,599)	(5,802,805)	(17,414,288)
Proceeds from the sale and maturity of investment securities	1,032,080	745,924	348,150	68,529	1,683,803	2,466,130	329,764	1,044	3,442,539	10,117,963
Interest received on investments	(517)	(16,251)	1,435	(2,734)	(1,040)	(10,360)	3,458	5	11,579	(14,425)
Net cash provided by (used for) investing activities	(404,214)	(643,306)	(189,292)	(154,046)	(1,414,907)	(2,188,913)	33,165	(550)	(2,348,687)	(7,310,750)
Net increase (decrease) in cash and cash equivalents	(857,841)	101,861	(171,936)	350,161	226,475	946,108	(615,752)	(551)	(709,825)	(731,300)
Cash and cash equivalents at beginning of year	4,630,990	3,506,256	1,588,075	9,174	7,914,038	10,659,361	1,404,287	4,753	16,235,795	45,952,729
Cash and cash equivalents at end of year	$ 3,773,149	$ 3,608,117	$ 1,416,139	$ 359,335	$ 8,140,513	$ 11,605,469	$ 788,535	$ 4,202	$ 15,525,970	$ 45,221,429
Reconciliation to Statement of Net Position										
Cash and cash equivalents	$ 3,773,149	$ 3,608,117	$ 1,416,139	$ 351,225	$ 8,140,513	$ 11,578,413	$ 788,535	$ -	$ 15,501,781	$ 45,157,872
Construction fund cash and cash equivalents	-	-	-	8,110	-	27,056	-	4,202	24,189	63,557
Total cash and cash equivalents	$ 3,773,149	$ 3,608,117	$ 1,416,139	$ 359,335	$ 8,140,513	$ 11,605,469	$ 788,535	$ 4,202	$ 15,525,970	$ 45,221,429
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:										
Operating income (loss)	$ 1,631,221	$ 2,278,741	$ (829,161)	$ (325,116)	$ (277,944)	$ 3,971,004	$ (444,605)	$ 55,162	$ 1,026,307	$ 7,085,609
Adjustments:										
Depreciation	-	-	-	114,480	4,486,631	4,566,190	22,983	3,714	831,323	10,025,321
Provision for uncollectible accounts	-	-	-	-	-	-	-	-	(22,725)	(22,725)
Change in assets and liabilities:										
Increase in pension related deferred outflows	13,215	7,979	-	28,674	-	78,542	29,172	7,231	73,057	237,870
Decrease in OPEB related deferred outflows	(19,424)	(8,094)	-	(56,656)	-	(101,980)	(56,656)	(16,188)	(152,161)	(411,159)
Increase in inventory	-	-	-	(78,133)	-	-	-	(2,158,258)	-	(2,236,391)
Increase in net pension asset	(330,167)	(199,346)	-	(716,400)	-	(1,962,314)	(728,859)	(180,657)	(1,825,264)	(5,943,007)
Decrease in net pension liability	(60,517)	(36,538)	-	(131,310)	-	(359,675)	(133,594)	(33,113)	(334,555)	(1,089,302)
(Increase) decrease in accounts receivable	187,294	(310,755)	-	(2,559)	-	(4,891)	(993)	-	(64,691)	(196,595)
Increase (decrease) in accounts payable	(2,709,584)	(2,136)	33,149	54,565	113,785	1,054,700	102,056	105,795	449,413	(798,257)
Increase in customer deposits	-	-	-	-	-	-	-	-	1,314,170	1,314,170
Increase (decrease) in compensated absences	1,048	(10,382)	-	5,913	-	9,409	1,226	6,231	25,439	38,884
Increase in prepaid expense	-	-	-	-	-	(9,342)	-	-	-	(9,342)
Increase in OPEB liability	43,950	18,312	-	128,190	-	230,740	128,190	36,626	344,280	930,288
Increase (decrease) in insurance claims payable	221,709	(783,187)	813,368	-	-	-	-	-	-	251,890
Increase in pension related deferred inflows	237,795	143,575	-	515,970	-	1,413,310	524,944	130,115	1,314,602	4,280,311
Decrease in OPEB related deferred inflows	(8,506)	(3,544)	-	(24,810)	-	(44,657)	(24,810)	(7,088)	(66,631)	(180,046)
Total adjustments	(2,423,187)	(1,184,116)	846,517	(162,076)	4,600,416	4,870,032	(136,341)	(2,105,592)	1,886,257	6,191,910
Net cash provided by (used for) operating activities	$ (791,966)	$ 1,094,625	$ 17,356	$ (487,192)	$ 4,322,472	$ 8,841,036	$ (580,946)	$ (2,050,430)	$ 2,912,564	$ 13,277,519
Non-cash transactions:										
Change in restricted accounts payable	$ -	$ -	$ -	$ -	$ -	$ (102)	$ -	$ -	$ -	(102)
Increase in fair value of investments	35,629	34,071	13,372	3,393	76,869	109,588	7,446	40	143,997	424,405

GARLAND

TEXAS MADE HERE

CITY OF GARLAND, TEXAS
Statistical Section
(Unaudited)

Contents **Page**

Financial Trends **130**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **136**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity **140**

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **145**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **147**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Garland
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	$ 127,763,560	$ 125,858,168	$ 141,966,385	$ 150,422,234	$ 177,385,098	$ 183,437,109	$ 183,829,761	$ 237,358,502	$ 251,747,773	$ 302,387,528
Restricted	7,859,043	7,574,847	6,284,970	7,904,536	8,365,076	14,797,879	12,472,754	16,447,494	18,339,918	15,264,174
Unrestricted	1,315,954	6,157,462	11,717,842	7,879,932	699,772	(10,392,577)	13,235,542	5,851,385	35,769,943	73,480,848
Total governmental activities net position	$ 136,938,557	$ 139,590,477	$ 159,969,197	$ 166,206,702	$ 186,449,946	$ 187,842,411	$ 209,538,057	$ 259,657,381	$ 305,857,634	$ 391,132,550
Business-type activities										
Net investment in capital assets	$ 438,249,356	$ 365,960,688	$ 376,738,418	$ 393,233,982	$ 408,670,773	$ 426,347,930	$ 433,039,663	$ 430,385,905	$ 448,128,873	$ 482,719,644
Restricted	178,691,456	180,855,772	182,974,266	184,733,224	186,750,517	164,352,786	181,885,584	200,258,011	236,758,735	249,708,785
Unrestricted	53,537,669	123,189,978	124,110,995	91,707,333	61,283,046	66,062,217	106,130,672	138,206,756	115,775,777	125,838,651
Total business-type activities net position	$ 670,478,481	$ 670,006,438	$ 683,823,679	$ 669,674,539	$ 656,704,336	$ 656,762,933	$ 721,055,919	$ 768,850,672	$ 800,663,385	$ 858,267,080
Primary government										
Net investment in capital assets	$ 566,012,916	$ 491,818,856	$ 518,704,803	$ 543,656,216	$ 586,055,871	$ 609,785,039	$ 616,869,424	$ 667,744,407	$ 699,876,646	$ 785,107,172
Restricted	186,550,499	188,430,619	189,259,236	192,637,760	195,115,593	179,150,665	194,358,338	216,705,505	255,098,653	264,972,959
Unrestricted	54,853,623	129,347,440	135,828,837	99,587,265	61,982,818	55,669,640	119,366,214	144,058,141	151,545,720	199,319,499
Total primary government activities net position	$ 807,417,038	$ 809,596,915	$ 843,792,876	$ 835,881,241	$ 843,154,282	$ 844,605,344	$ 930,593,976	$ 1,028,508,053	$ 1,106,521,019	$ 1,249,399,630

City of Garland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	$ 29,243,108	$ 27,639,946	$ 28,672,583	$ 32,857,828	$ 33,421,800	$ 34,425,497	$ 37,666,863	$ 42,142,722	$ 42,122,789	$ 44,381,242
Public safety	92,128,110	91,105,170	93,438,294	103,855,466	107,419,896	108,420,934	120,253,380	120,243,599	118,229,934	117,578,721
Public works	40,870,496	41,893,889	42,473,055	46,703,808	39,356,985	42,764,067	46,038,188	48,199,894	57,058,678	50,627,594
Culture and recreation	21,442,173	20,820,273	21,780,835	24,405,765	24,743,188	24,323,627	28,281,367	26,708,528	24,808,132	25,048,374
Public health	4,322,827	4,105,273	4,401,399	4,819,386	4,682,394	4,405,451	5,144,733	5,072,234	5,320,061	5,736,694
Interest and fiscal charges	11,094,537	9,696,538	8,323,617	8,833,481	8,391,567	7,339,076	6,669,810	6,648,006	6,508,036	8,125,122
Total governmental activities expenses	199,101,251	195,261,089	199,089,783	221,475,734	218,015,830	221,678,652	244,054,341	249,014,983	254,047,630	251,497,747
Business-type activities:										
Electric	271,815,312	344,969,100	319,583,367	281,386,514	282,989,503	259,269,873	236,681,376	241,329,104	319,876,181	326,533,367
Water	43,758,542	46,952,415	48,965,136	54,403,015	58,299,626	64,111,798	65,530,161	67,600,465	66,983,984	67,916,783
Sewer	36,288,797	36,080,645	35,609,533	36,662,146	37,321,258	38,352,152	38,297,685	39,666,456	38,716,017	40,069,004
Golf	4,889,818	4,738,094	4,808,720	4,926,096	5,080,114	4,583,422	4,875,332	4,705,089	4,650,746	4,680,834
Heliport	5,365	5,329	5,351	5,350	5,344	5,315	19,060	23,272	31,605	109,340
Storm water management	3,926,814	3,996,717	3,949,180	3,878,831	3,842,023	4,292,213	4,206,675	4,285,236	4,486,235	4,394,660
Parks performance	964,590	1,031,470	1,113,223	1,233,076	1,259,287	1,248,760	1,159,836	705,424	447,070	914,428
Sanitation	16,965,951	17,415,020	17,085,912	17,786,836	17,841,828	18,485,025	19,991,136	20,979,102	20,941,959	22,358,689
Total business-type activities expenses	378,615,189	455,188,790	431,120,422	400,281,864	406,638,983	390,348,558	370,761,261	379,294,148	456,133,797	466,977,105
Total primary government expenses	$ 577,716,440	$ 650,449,879	$ 630,210,205	$ 621,757,598	$ 624,654,813	$ 612,027,210	$ 614,815,602	$ 628,309,131	$ 710,181,427	$ 718,474,852
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 6,792,917	$ 6,771,546	$ 7,211,710	$ 8,235,397	$ 8,432,962	$ 9,910,970	$ 9,192,290	$ 9,512,403	$ 9,632,574	$ 10,147,477
Public safety	15,467,011	14,845,171	15,447,629	17,925,072	19,019,451	19,654,603	19,756,620	16,252,716	17,458,794	18,614,940
Public works	14,626,584	14,690,728	16,858,348	20,301,355	19,976,447	18,752,900	21,377,178	23,350,575	23,623,136	30,652,914
Culture and recreation	1,726,202	1,562,302	1,580,984	1,489,423	1,367,082	1,354,400	1,351,315	651,540	745,087	846,025
Public health	534,179	494,343	460,154	546,298	539,542	514,925	598,254	442,161	408,506	586,770
Operating grants and contributions	17,203,324	14,290,332	14,640,650	15,090,766	16,271,994	15,409,934	17,041,881	31,861,124	23,114,835	28,231,559
Capital grants and contributions	1,785,232	560,265	2,695,395	8,377,011	12,892,981	11,057,555	6,572,632	10,947,632	8,014,890	14,426,428
Total governmental activities program revenues	58,135,449	53,214,687	58,894,870	71,965,322	78,500,459	76,655,287	75,890,170	93,018,151	82,997,822	103,506,113
Business-type activities:										
Charges for services:										
Electric	296,866,570	376,657,906	338,473,487	278,334,789	279,846,202	287,169,337	291,458,932	284,768,630	356,541,531	347,199,616
Water	50,176,879	49,536,979	57,135,679	63,373,281	63,623,236	76,184,876	75,578,798	79,828,745	75,816,909	85,849,164
Sewer	41,831,894	43,460,465	43,609,415	44,628,715	44,237,184	43,902,151	46,737,430	47,421,755	48,655,766	51,529,174
Golf	3,677,689	3,630,768	3,528,120	3,577,522	3,964,942	3,708,057	3,770,352	3,365,566	4,142,530	4,556,754
Heliport	6,865	6,956	7,018	7,032	7,118	7,257	7,378	7,522	7,640	7,937
Storm water management	3,824,990	3,820,130	3,829,343	3,819,769	3,860,797	4,326,657	4,445,090	4,963,130	4,986,272	5,046,990
Parks performance	1,124,046	1,005,702	1,091,961	1,198,950	1,220,969	1,092,368	1,168,863	638,751	538,925	1,224,679
Sanitation	17,469,768	17,586,500	19,243,412	19,379,321	19,712,847	19,877,745	19,974,028	21,193,039	21,533,586	23,390,261
Operating grants and contributions	-	-	-	-	884,150	-	-	-	854,633	7,269
Capital grants and contributions	1,787,937	953,011	1,678,626	2,534,605	3,113,641	3,600,423	3,311,593	4,070,500	3,502,161	3,690,597
Total business-type activities program revenues	416,766,638	496,658,417	468,597,061	416,853,984	420,471,086	439,868,871	446,452,464	446,257,638	516,579,953	522,502,441
Total primary government program revenues	$ 474,902,087	$ 549,873,104	$ 527,491,931	$ 488,819,306	$ 498,971,545	$ 516,524,158	$ 522,342,634	$ 539,275,789	$ 599,577,775	$ 626,008,554

City of Garland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (expense)/revenue										
Governmental activities	$ (140,965,802)	$ (142,046,402)	$ (140,194,913)	$ (149,510,412)	$ (139,515,371)	$ (145,023,365)	$ (168,164,171)	$ (155,996,832)	$ (171,049,808)	$ (147,991,634)
Business-type activities	38,151,449	41,469,627	37,476,639	16,572,120	13,832,103	49,520,313	75,691,203	66,963,490	60,446,156	55,525,336
Total primary government net expense	$ (102,814,353)	$ (100,576,775)	$ (102,718,274)	$ (132,938,292)	$ (125,683,268)	$ (95,503,052)	$ (92,472,968)	$ (89,033,342)	$ (110,603,652)	$ (92,466,298)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 71,160,273	$ 71,507,322	$ 74,345,310	$ 79,069,419	$ 87,329,443	$ 95,795,752	$ 106,255,121	$ 124,854,949	$ 133,819,570	$ 138,889,834
Sales taxes	23,537,389	24,667,765	26,497,069	30,234,776	29,894,875	30,129,008	31,035,747	30,527,171	35,580,376	41,173,582
Franchise taxes	8,646,942	9,091,491	8,832,022	8,452,280	8,746,777	8,912,728	8,510,877	7,003,961	7,119,922	7,668,703
Hotel/motel taxes	825,003	896,702	1,071,660	1,356,259	1,415,395	1,431,266	1,525,983	1,250,293	1,380,570	1,644,590
Mixed drink taxes	255,607	327,324	351,879	370,992	401,934	413,241	423,577	327,410	407,951	479,516
Bingo taxes	106,252	105,701	105,198	116,434	86,889	88,130	107,056	128,102	141,864	137,956
Unrestricted investment earnings	266,319	679,278	821,107	913,992	1,117,176	2,313,130	6,072,790	3,720,948	130,798	675,329
Miscellaneous	59,186	132,933	2,788,292	251,073	606,208	34,151	833,032	129,546	198,927	491,238
Transfers	30,796,507	39,628,270	32,236,236	34,982,692	30,159,918	40,394,892	35,095,634	38,173,776	38,470,083	42,105,802
Total governmental activities	135,653,478	147,036,786	147,048,773	155,747,917	159,758,615	179,512,298	189,859,817	206,116,156	217,250,061	233,266,550
Business-type activities:										
Unrestricted investment earnings	42,619	1,481,986	1,823,835	1,671,185	1,961,783	3,216,278	8,233,512	6,819,640	289,125	346,630
Miscellaneous	1,701,278	2,074,837	1,701,956	2,590,247	1,395,829	2,100,389	15,493,423	12,185,399	9,547,515	43,837,531
Transfers	(30,796,507)	(39,628,270)	(32,236,236)	(34,982,692)	(30,159,918)	(40,394,892)	(35,095,634)	(38,173,776)	(38,470,083)	(42,105,802)
Total business-type activities	(29,052,610)	(36,071,447)	(28,710,445)	(30,721,260)	(26,802,306)	(35,078,225)	(11,368,699)	(19,168,737)	(28,633,443)	2,078,359
Total primary government	$ 106,600,868	$ 110,965,339	$ 118,338,328	$ 125,026,657	$ 132,956,309	$ 144,434,073	$ 178,491,118	$ 186,947,419	$ 188,616,618	$ 235,344,909
Change in Net Position										
Governmental activities	$ (5,312,324)	$ 4,990,384	$ 6,853,860	$ 6,237,505	$ 20,243,244	$ 34,488,933	$ 21,695,646	$ 50,119,324	$ 46,200,253	$ 85,274,916
Business-type activities	9,098,839	5,398,180	8,766,194	(14,149,140)	(12,970,203)	14,442,088	64,322,504	47,794,753	31,812,713	57,603,695
Cumulative effect of change in acctg principle	-	(8,208,687)	18,575,907	-	-	(47,479,959)	(29,518)	-	-	-
Total primary government	$ 3,786,515	$ 2,179,877	$ 34,195,961	$ (7,911,635)	$ 7,273,041	$ 1,451,062	$ 85,988,632	$ 97,914,077	$ 78,012,966	$ 142,878,611

Table 3

City of Garland
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink Tax	Bingo Tax	Total
2013	$ 71,160,273	$ 23,537,389	$ 8,646,942	$ 825,003	$ 255,607	$ 106,252	$ 104,531,466
2014	71,507,322	24,667,765	9,091,491	896,702	327,324	105,701	106,596,305
2015	74,345,310	26,497,069	8,832,022	1,071,660	351,879	105,198	111,203,138
2016	79,069,419	30,234,776 *	8,452,280	1,356,259	370,992	116,434	119,600,160
2017	87,329,443	29,894,875	8,746,777	1,415,395	401,934	86,889	127,875,313
2018	95,795,752	30,129,008	8,912,728	1,431,266	413,241	88,130	136,770,125
2019	106,255,121	31,035,747	8,510,877	1,525,983	423,577	107,056	147,858,361
2020	124,854,949	30,527,171	7,003,961	1,250,293	327,410	128,102	164,091,886
2021	133,819,570	35,580,376	7,119,922	1,380,570	407,951	141,864	178,450,253
2022	138,889,834	41,173,582	7,668,703	1,644,590	479,516	137,956	189,994,181

* Sales tax includes a one-time audit adjustment of $1,267,967.

City of Garland
Fund Balances of Government Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,686	$ 2,216	$ -	$ -
Restricted for construction	1,531,005	135,552	820,577	851,283	762,777	2,661,895	1,758,414	2,072,994	1,951,780	2,134,656
Committed	-	-	-	-	-	11,399,953	7,650,641	13,340,757	9,380,541	4,451,120
Assigned	4,480,000	4,230,000	3,980,000	3,730,000	3,480,000	3,230,000	3,230,000	14,067,692	12,222,677	11,446,677
Unassigned	18,252,865	21,364,117	20,944,205	22,467,723	30,955,648	17,641,489	23,139,762	23,171,802	27,423,751	37,334,688
Total general fund	$ 24,263,870	$ 25,729,669	$ 25,744,782	$ 27,049,006	$ 35,198,425	$ 34,933,337	$ 35,821,503	$ 52,655,461	$ 50,978,749	$ 55,367,141
All other government funds										
Non spendable:										
Prepaid	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,179,824	$ -	$ -	$ -
Restricted for:										
General government	33,393,625	22,931,442	344,704	460,690	619,178	3,728,181	4,188,943	4,498,658	5,025,275	4,036,577
Debt service	6,314,007	7,843,714	6,235,664	5,729,738	6,298,049	6,556,425	5,589,684	6,724,308	8,328,386	6,644,690
Parks construction	-	-	115,016	368,549	961,391	581,433	918,946	-	-	-
Streets and drainage	-	-	68,129	2,748,505	11,292,276	2,222,061	-	-	-	-
Public facilities	-	-	42,207,841	36,664,668	38,207,888	38,421,468	28,975,889	35,317,431	32,085,846	45,587,365
Other capital projects	1,727,296	1,035,676	6,921,928	237,619	828,678	-	-	-	-	-
Housing assistance	935,202	570,169	1,005,267	1,354,176	1,176,106	2,113,317	1,898,867	3,943,520	3,607,673	4,047,030
Public safety	-	-	786,043	798,548	567,248	310,362	278,305	216,452	332,625	400,262
Committed for:										
Neighborhood services	444,858	453,849	426,644	528,668	512,220	-	-	-	-	-
Culture & recreation			1,963,149	2,273,584	2,531,681	-	-	-	-	-
Landfill closure	1,934,063	2,149,180	197,263	25,631	25,932	-	-	-	-	-
Public works and infrastructure	5,006,527	5,404,617	6,643,558	7,352,692	6,628,149	8,155,937	10,207,382	12,382,296	14,176,005	17,701,835
Assigned for:										
General government	-	-	-	-	-	9,755,580	8,704,005	7,860,555	9,734,074	7,616,354
Unassigned										
Capital project funds	-	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	-	(5,500)	-	-	-	(24,480)	(96,565)	(10,130)	(23,117)	(181,683)
Total all other governmental funds	$ 49,755,578	$ 40,383,147	$ 66,915,206	$ 58,543,068	$ 69,648,796	$ 71,820,284	$ 64,845,280	$ 70,933,090	$ 73,266,767	$ 85,852,430

Note: In 2018, fund balances associated with Infrastructure, Public Health, and Economic Development was designated as committed.

City of Garland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	$ 95,793,994	$ 97,585,254	$ 102,157,106	$ 110,932,701	$ 119,054,419	$ 127,764,097	$ 139,137,219	$ 156,944,579	$ 169,983,313	$ 182,831,544
Franchise fees	8,646,942	9,091,491	8,832,022	8,452,280	8,746,777	8,912,728	8,510,877	7,003,961	7,119,922	7,668,703
Service charges	20,239,605	20,791,739	22,040,585	26,789,030	26,037,157	27,082,445	30,359,398	30,165,738	31,240,300	36,423,598
Licenses and permits	3,393,137	3,781,703	3,860,441	4,906,892	5,201,460	4,488,052	4,869,605	4,586,832	4,981,566	7,018,315
Investment earnings	243,088	529,912	607,191	625,129	837,061	1,703,775	4,421,741	2,832,265	138,672	692,150
Intergovernmental	16,079,825	13,450,076	13,692,567	14,656,626	14,628,063	16,237,327	16,922,301	32,366,750	22,694,063	27,972,554
Charges for services	7,973,376	8,002,858	8,576,934	8,975,685	9,426,444	9,819,344	10,126,440	10,334,101	10,445,154	10,526,736
Fines and forfeits	6,955,299	6,730,988	6,608,238	7,521,426	8,586,513	7,234,696	6,724,195	3,362,932	4,563,460	4,986,774
Rents and concessions	804,298	833,456	829,410	748,504	745,942	771,769	754,648	499,969	532,355	601,317
Assessments	61,779	77,710	195,043	82,743	39,797	39,872	48,442	28,168	96,227	79,448
Impact fees	377,520	380,120	1,405,625	714,624	1,640,837	1,441,120	1,769,149	2,305,938	2,222,381	3,270,517
Contributions	-	-	30,847	151,654	-	-	-	-	350,000	500,000
Program income	365,103	292,533	408,698	740,485	360,193	1,405,285	517,753	764,150	573,958	381,661
Special event income	216,026	-	-	-	-	-	-	-	-	-
Miscellaneous	2,342,106	815,199	1,358,754	4,879,561	12,237,187	6,620,881	3,062,947	5,210,525	3,317,285	4,883,724
Awards	192,737	230,571	334,576	218,681	291,479	160,403	237,120	101,224	211,981	202,494
Total Revenues	163,684,835	162,593,610	170,938,037	190,396,021	207,833,329	213,681,794	227,461,835	256,507,132	258,470,637	288,039,535
Expenditures										
General government	9,820,852	10,066,773	10,335,083	12,471,750	11,784,388	12,083,845	12,346,659	12,643,915	12,763,589	13,930,565
Public safety	78,338,393	79,341,146	81,633,191	87,878,926	89,743,140	95,537,161	100,113,212	102,099,911	106,576,228	110,364,300
Public works	17,391,246	19,617,640	20,656,938	22,529,626	22,329,429	27,150,168	18,680,546	19,234,473	20,081,425	22,437,962
Culture and recreation	13,218,113	13,371,187	13,573,292	14,366,431	15,083,685	16,471,742	17,562,268	16,469,559	16,796,831	18,877,832
Public health	3,579,737	3,606,072	3,763,652	3,885,801	3,801,719	3,833,685	4,003,801	4,037,036	4,768,937	5,564,432
Nondepartmental	21,243,401	20,992,758	23,629,265	26,805,888	24,798,432	27,873,387	26,718,604	26,661,783	29,205,434	31,464,252
Operations	15,974,313	15,229,201	14,635,127	15,326,008	15,376,461	16,288,216	17,966,870	23,211,661	26,297,104	28,737,560
Capital Outlay	18,460,127	30,798,802	18,359,468	29,638,166	30,314,161	46,444,414	64,584,868	67,491,361	101,843,349	118,272,884
Debt service										
Principal	17,370,398	20,108,094	19,810,813	21,600,000	21,980,000	24,785,000	26,940,000	27,695,000	29,220,000	30,730,000
Interest	11,900,025	9,949,833	9,078,192	10,308,594	8,939,092	9,706,544	9,478,699	10,436,805	9,754,827	10,555,487
Issue costs on issuance of debt	307,935	311,537	313,973	-	490,612	-	291,431	11,355	10,426	-
Other charges	339,837	72,285	406,218	300,280	319,197	415,626	465,961	502,281	794,701	930,995
Total expenditures	207,944,377	223,465,328	216,195,212	245,111,470	244,960,316	280,589,788	299,152,919	310,495,140	358,112,851	391,866,269
Excess of revenues over (under) expenditures	(44,259,542)	(60,871,718)	(45,257,175)	(54,715,449)	(37,126,987)	(66,907,994)	(71,691,084)	(53,988,008)	(99,642,214)	(103,826,734)
Other financing sources (uses)										
Sale of capital assets	528,187	1,232,275	167,619	624,725	557,911	68,888	1,190,890	153,276	153,384	194,853
Transfers in	37,847,598	50,731,130	49,149,623	44,272,571	49,444,705	66,566,899	65,530,207	80,903,202	91,673,258	106,261,136
Transfers out	(7,209,853)	(8,541,923)	(19,724,709)	(14,019,482)	(19,708,769)	(26,253,518)	(26,375,285)	(43,540,870)	(53,975,469)	(66,691,528)
Issuance of debt	10,835,000	9,110,000	40,370,000	14,765,000	23,490,000	25,365,000	21,775,000	34,975,000	55,960,000	76,150,000
Premium on issuance of debt	1,165,344	1,447,424	3,081,644	2,004,721	10,211,911	3,067,125	7,458,657	4,618,549	6,652,271	4,886,328
Refunding proceeds	6,650,000	17,515,000	34,525,000	-	55,425,000	-	34,905,000	1,170,000	875,000	-
Payment to bond refunding agent	(7,960,000)	(18,528,820)	(35,764,832)	-	(63,038,619)	-	(38,880,223)	(1,369,381)	(1,039,265)	-
Total other financing sources (uses)	41,856,276	52,965,086	71,804,345	47,647,535	56,382,139	68,814,394	65,604,246	76,909,776	100,299,179	120,800,789
Net change in fund balances	$ (2,403,266)	$ (7,906,632)	$ 26,547,170	$ (7,067,914)	$ 19,255,152	$ 1,906,400	$ (6,086,838)	$ 22,921,768	$ 656,965	$ 16,974,055
Debt service as a percentage of noncapital expenditures	13.55%	13.69%	13.04%	13.44%	13.43%	13.96%	13.88%	14.38%	13.79%	13.67%

City of Garland
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2013	6,925,794,480	4,465,116,770	925,935,130	2,347,404,371	9,969,442,009	0.7046
2014	6,900,021,740	4,679,026,760	879,388,670	2,425,139,035	10,033,298,135	0.7046
2015	7,113,456,210	4,928,351,740	841,096,940	2,456,451,404	10,426,453,486	0.7046
2016	7,636,480,700	5,189,352,440	829,469,960	2,573,293,675	11,082,009,425	0.7046
2017	8,807,329,810	5,738,601,110	873,666,970	3,086,963,695	12,332,634,195	0.7046
2018	9,710,744,870	6,070,137,390	928,053,960	3,257,290,309	13,451,645,911	0.7046
2019	11,154,489,960	6,558,625,310	941,717,780	3,718,523,856	14,936,309,194	0.7046
2020	11,816,598,780	7,166,662,540	1,085,747,000	4,022,787,704	16,046,220,616	0.7696
2021	12,289,732,539	6,836,331,220	1,058,025,080	4,127,269,779	16,056,819,060	0.7696
2022	13,327,520,650	7,658,995,760	1,087,965,790	4,109,076,200	17,965,406,000	0.7570

Note: Total Taxable Assessed Value represents the original certified taxable value. It does not include valuation of protested property at certification date.

Source: City of Garland, Texas - Tax Office

City of Garland
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	City Direct Rates			Overlapping Rates*												
Fiscal Year	General Fund	Debt Service Fund	Total Direct	Garland Independent School District	Dallas County	Dallas County Hospital District	Dallas County Community College District	Dallas Independent School District	Dallas County Schools	Richardson Independent School District	Mesquite Independent School District	Collin County	Collin County Community College District	Plano Independent School District	Rockwall Independent School District	Rockwall County
2013	$ 0.3940	$ 0.3106	$ 0.7046	$ 1.2533	$ 0.2431	$ 0.2710	$ 0.1194	$ 1.2903	$ 0.0100	$ 1.3401	$ 1.4200	$ 0.2400	$ 0.0863	$ 1.3734	$ -	$ -
2014	0.3940	0.3106	0.7046	1.2533	0.2431	0.2760	0.1247	1.2821	0.0100	1.3401	1.4200	0.2375	0.0836	1.4530	-	-
2015	0.3940	0.3106	0.7046	1.2533	0.2431	0.2860	0.1247	1.2821	0.0100	1.3400	1.4100	0.2350	0.0820	1.4480	-	-
2016	0.3940	0.3106	0.7046	1.2533	0.2431	0.2860	0.1247	1.2821	0.0100	1.3400	1.4100	0.2350	0.0820	1.4480	-	-
2017	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1229	1.2821	0.0093	1.3901	1.4600	0.2084	0.0812	1.4390	-	-
2018	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1240	1.4120	0.0090	1.5200	1.5200	0.1810	0.0810	1.4390	1.4300	0.3280
2019	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1240	1.4120	0.0090	1.5200	1.5200	0.1810	0.0810	1.4390	1.4300	0.3280
2020	0.3940	0.3756	0.7696	1.3463	0.2379	0.2661	0.1240	1.2967	0.0100	1.3100	1.4464	0.1725	0.0812	1.3238	1.4047	0.3131
2021	0.3940	0.3756	0.7696	1.2600	0.2279	0.2550	0.1235	1.2870	0.0100	1.3909	1.4500	0.1681	0.0812	1.3208	1.3100	0.3131
2022	0.3814	0.3756	0.7570	1.3900	0.2279	0.2550	0.1235	1.2970	0.0100	1.3909	1.3120	0.3181	0.0812	1.3208	1.2736	0.3131

Source: City of Garland, Texas - Tax Office and State of Texas Comptroller Office

Note: The City's basic tax rate cannot exceed $2.50 per $100 assessed value.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Garland. Not all overlapping rates apply to all City of Garland property owners; for example, although the county property tax rates apply to all city property owners, the Mesquite Independent School District rates apply only to property owners whose property is located within that districts' geographic boundaries.

City of Garland
Principal Property Tax Payers
Current Year and Nine Years Ago
(unaudited)

	2022			2013		
Taxpayer	**Taxable Assessed Valuation**	**Rank**	**Percent of Total City Taxable Assessed Value**	**Taxable Assessed Valuation**	**Rank**	**Percent of Total City Taxable Assessed Value**
Kraft Heinz Food Company	$ 130,514,710	1	0.81%	$ 41,264,020	9	0.41%
Simon Property Group	94,050,000	2	0.59%	91,341,710	2	0.92%
BM EF Preserve LLC	90,500,000	3	0.56%			
CF Hendry Multifamily Dist	72,320,610	4	0.45%			
Ragingwire Data Centers Inc	66,599,350	5	0.41%	-		-
BM EF Spring Creek LLC	63,000,000	6	0.39%	-		-
NTT Global Data Center Americas Inc.	59,771,470	7	0.37%			
Atmos Energy Mid Tex Public Utility	52,917,390	8	0.33%			
JDFW III LLC	51,935,560	9	0.32%	-		-
Plastipak Packaging Inc	49,818,936	10	0.31%	70,419,400	3	-
Walmart/Sam's Club	-		-	101,184,920	1	1.01%
Verizon	-		-	48,829,930	5	0.49%
Sears Roebuck and Co.	-		-	43,850,858	7	0.44%
SST Truck Co LLC	-		-	53,064,990	4	0.53%
Valspar Engineered Polymer	-		-	45,304,752	6	0.45%
Daisy Brand Inc	-		-	35,106,018	10	0.35%
BM EF Stoneleigh LP	-		-	41,900,000	8	0.42%
	$ 731,428,026		4.56%	$ 572,266,598		5.03%

Source: City of Garland, Texas - Tax Office

Table 9

City of Garland
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collections within Fiscal Year of the Levy		Collections & Adjustments in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	$ 70,801,851	$ 70,130,748	99.05%	$ 636,074	$ 70,766,822	99.95%
2014	71,071,583	70,536,234	99.25%	497,897	71,034,131	99.95%
2015	73,798,105	73,250,492	99.26%	501,895	73,752,387	99.94%
2016	78,610,052	78,025,905	99.26%	536,533	78,562,438	99.94%
2017	86,774,848	86,089,470	99.21%	627,744	86,717,214	99.93%
2018	95,302,690	94,597,181	99.26%	622,478	95,219,659	99.91%
2019	105,747,469	104,849,923	99.15%	670,166	105,520,089	99.78%
2020	124,526,948	123,427,570	99.12%	799,633	124,227,203	99.76%
2021	133,202,374	131,815,302	98.96%	918,236	132,733,538	99.65%
2022	138,853,429	137,652,333	99.13%	-	137,652,333	99.13%

Source: City of Garland, Texas - Tax Office and Financial Services

City of Garland
Ratios of Outstanding Debt by Year
Last Ten Fiscal Years
(unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES										
General Government										
General Obligation Bonds	$ 208,456,051	$ 195,362,128	$ 201,764,579	$ 183,515,056	$ 187,493,295	$ 165,534,662	$ 142,845,624	$ 145,969,279	$ 167,508,490	$ 201,698,826
Certificates of Obligation	42,478,233	43,498,236	56,061,573	67,278,178	65,614,844	87,129,637	103,274,963	107,105,467	114,767,952	126,191,407
Other Obligations	65,098	33,343	-	-	-	-	-	-	-	-
Total	250,999,382	238,893,707	257,826,152	250,793,234	253,108,139	252,664,299	246,120,587	253,074,746	282,276,442	327,890,233
Percentage of Personal Income	4.94%	4.67%	5.08%	4.67%	4.51%	4.58%	4.22%	4.12%	4.53%	4.82%
Per Capita	1,084	1,024	1,099	1,063	1,069	1,060	1,027	1,042	1,147	1,324
Internal Services										
General Obligation Bonds	$ 881,894	$ 1,868,920	$ 1,561,225	$ 1,287,166	$ 5,943,831	$ 5,555,243	$ 18,534,641	$ 16,674,844	$ 14,786,596	$ 12,959,334
Certificates of Obligation	31,646,677	28,445,303	26,167,129	25,940,730	19,695,033	17,994,195	3,749,604	4,554,045	4,137,057	6,199,512
Total	32,528,571	30,314,223	27,728,354	27,227,896	25,638,864	23,549,438	22,284,245	21,228,889	18,923,653	19,158,846
Percentage of Personal Income	0.64%	0.59%	0.55%	0.51%	0.46%	0.43%	0.38%	0.35%	0.30%	0.28%
Per Capita	140.44	129.99	118.23	115.43	108.28	98.83	92.97	87.39	76.87	77.38
Total Governmental Activities										
General Obligation Bonds	$ 209,337,945	$ 197,231,048	$ 203,325,804	$ 184,802,222	$ 193,437,126	$ 171,089,905	$ 161,380,265	$ 162,644,123	$ 182,295,086	$ 214,658,160
Certificates of Obligation	74,124,910	71,943,539	82,228,702	93,218,908	85,309,877	105,123,832	107,024,567	111,659,512	118,905,009	132,390,919
Other Obligations	65,098	33,343	-	-	-	-	-	-	-	-
Total	283,527,953	269,207,930	285,554,506	278,021,130	278,747,003	276,213,737	268,404,832	274,303,635	301,200,095	347,049,079
Percentage of Personal Income	5.57%	5.26%	5.62%	5.18%	4.97%	4.92%	4.61%	4.46%	4.83%	5.10%
Per Capita	1,224	1,154	1,218	1,179	1,177	1,159	1,120	1,129	1,224	1,402
BUSINESS-TYPE ACTIVITIES										
Revenue Bonds	$ 307,357,705	$ 406,859,556	$ 381,487,963	$ 356,430,875	$ 371,429,037	$ 427,244,016	$ 560,632,179	$ 749,207,794	$ 996,353,910	$ 984,142,356
General Obligation Bonds	68,356,211	59,942,513	48,745,628	38,143,825	28,335,233	18,829,023	10,697,916	11,777,670	698,691	15,823
Certificates of Obligation	140,813,081	143,258,324	200,060,219	188,467,493	175,497,335	162,615,617	146,366,550	3,744,894	11,709,534	12,738,890
Commercial Paper	80,000,000	15,000,000	35,000,000	89,910,000	163,280,000	159,440,000	100,500,000	100,500,000	57,500,000	80,000,000
Total	596,526,997	625,060,393	665,293,810	672,952,193	738,541,605	768,128,656	818,196,645	865,230,358	1,066,262,135	1,076,897,069
Percentage of Personal Income	11.73%	12.21%	13.10%	12.54%	13.16%	13.92%	14.82%	14.07%	17.11%	15.84%
Per Capita	2,575	2,680	2,837	2,853	3,119	3,223	3,414	3,562	4,331	4,350
Total Primary Government	$ 880,054,950	$ 894,268,323	$ 950,848,316	$ 950,973,323	$ 1,017,288,608	$ 1,044,342,393	$ 1,086,601,477	$ 1,139,533,993	$ 1,367,462,230	$ 1,423,946,148
Percentage of Personal Income	17.30%	17.46%	18.72%	17.72%	18.13%	18.92%	18.65%	18.53%	21.95%	20.94%
Per Capita	3,800	3,835	4,054	4,032	4,296	4,383	4,533	4,691	5,555	5,751

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

It should be noted that a substantial portion of the debt associated with Business-Type activities is related to the Electric Utility and includes debt associated with transmission line projects that will allow the utility to receive additional transmission revenue from the Electric Reliability Council of Texas ratepayers.

City of Garland
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES										
General Government										
General Obligation Bonds	$ 208,456,051	$ 195,362,128	$ 201,764,579	$ 183,515,056	$ 187,493,295	$ 165,534,662	$ 142,845,624	$ 145,969,279	$ 167,508,490	$ 201,698,826
Certificates of Obligation	42,478,233	43,498,236	56,061,573	67,278,178	65,614,844	87,129,637	103,274,963	107,105,467	114,767,952	126,191,407
Less: Amount Available in Debt Service Fund	4,691,533	6,486,930	4,578,281	4,578,281	5,239,767	5,304,131	4,348,225	5,720,083	7,422,565	4,645,649
Total	246,242,751	232,373,434	253,247,871	246,214,953	247,868,372	247,360,168	241,772,362	247,354,663	274,853,877	323,244,584
Percentage of Estimated Actual Taxable Value of Property	2.47%	2.32%	2.43%	2.22%	2.01%	1.84%	1.62%	1.54%	1.71%	1.80%
Per Capita	1,063	996	1,080	1,044	1,047	1,038	1,009	1,018	1,117	1,306
Internal Services										
General Obligation Bonds	$ 881,894	$ 1,868,920	$ 1,561,225	$ 1,287,166	$ 5,943,831	$ 5,555,243	$ 18,534,641	$ 16,674,844	$ 14,786,596	$ 12,959,334
Certificates of Obligation	31,646,677	28,445,303	26,167,129	25,940,730	19,695,033	17,994,195	3,749,604	4,554,045	4,137,057	6,199,512
Total	32,528,571	30,314,223	27,728,354	27,227,896	25,638,864	23,549,438	22,284,245	21,228,889	18,923,653	19,158,846
Percentage of Estimated Actual Taxable Value of Property	0.33%	0.30%	0.27%	0.25%	0.21%	0.18%	0.15%	0.13%	0.12%	0.11%
Per Capita	140	130	118	115	108	99	93	87.39	76.87	77.38
Total Governmental Activities										
General Obligation Bonds	$ 209,337,945	$ 197,231,048	$ 203,325,804	$ 184,802,222	$ 193,437,126	$ 171,089,905	$ 161,380,265	$ 162,644,123	$ 182,295,086	$ 214,658,160
Certificates of Obligation	74,124,910	71,943,539	82,228,702	93,218,908	85,309,877	105,123,832	107,024,567	111,659,512	118,905,009	132,390,919
Less: Amount Available in Debt Service Fund	4,691,533	6,486,930	4,578,281	4,578,281	5,239,767	5,304,131	4,348,225	5,720,083	7,422,565	4,645,649
Total	278,771,322	262,687,657	280,976,225	273,442,849	273,507,236	270,909,606	264,056,607	268,583,552	293,777,530	342,403,430
Percentage of Estimated Actual Taxable Value of Property	2.80%	2.62%	2.69%	2.47%	2.22%	2.01%	1.77%	1.67%	1.83%	1.91%
Per Capita	1,204	1,126	1,198	1,159	1,155	1,137	1,102	1,106	1,193	1,383
BUSINESS-TYPE ACTIVITIES										
General Obligation Bonds	$ 68,356,211	$ 59,942,513	$ 48,745,628	$ 38,143,825	$ 28,335,233	$ 18,829,023	$ 10,697,916	$ 11,777,670	$ 698,691	$ 15,823
Certificates of Obligation	140,813,081	143,258,324	200,060,219	188,467,493	175,497,335	162,615,617	146,366,550	3,744,894	11,709,534	12,738,890
Total	209,169,292	203,200,837	248,805,847	226,611,318	203,832,568	181,444,640	157,064,466	15,522,564	12,408,225	12,754,713
Percentage of Estimated Actual Taxable Value of Property	2.10%	2.03%	2.39%	2.04%	1.65%	1.35%	1.05%	0.10%	0.08%	0.07%
Per Capita	903	871	1,061	961	861	761	655	64	50	52
Total Primary Government	$ 487,940,614	$ 465,888,494	$ 529,782,072	$ 500,054,167	$ 477,339,804	$ 452,354,246	$ 421,121,073	$ 284,106,116	$ 306,185,755	$ 355,158,143
Percentage of Estimated Actual Taxable Value of Property	4.89%	4.64%	5.08%	4.51%	3.87%	3.36%	2.82%	1.77%	1.91%	1.98%
Per Capita	2,107	1,998	2,259	2,120	2,016	1,898	1,757	1,170	1,244	1,434

This report reflects changes made to the General Obligation Debt column to properly report the total amount of general obligation debt outstanding each year.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

See the Schedule of Demographic and Economic Statistics for population data.

Total tax-supported debt (including commercial paper) is maintained so as not to exceed five percent (5%) of the total assessed valuation of taxable property. The City is currently below the threshold.

City of Garland
Estimated Direct and Overlapping Governmental Activities Debt
September 30, 2022
(unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Garland Independent School District	$ 424,040,000	68.41%	$ 290,085,764
Collin County	460,775,000	0.02%	92,155
Collin County Community College District	514,470,000	0.02%	102,894
Dallas County	116,665,000	5.90%	6,883,235
Dallas County Community College District	118,575,000	5.90%	6,995,925
Dallas County Hospital District	575,530,000	5.90%	33,956,270
Dallas County Schools	5,708,013	5.90%	336,773
Dallas Independent School District	3,500,300,000	0.16%	5,600,480
Richardson Independent School District	624,785,000	3.50%	21,867,475
Plano Independent School District	492,195,000	0.02%	98,439
Mesquite Independent School District	724,608,219	1.94%	14,057,399
Rockwall County	132,010,000	0.01%	13,201
Rockwall Independent School District	554,048,438	0.01%	55,405
Subtotal, overlapping debt			380,145,415
City direct debt			347,049,079
Total estimated direct and overlapping debt			$ 727,194,494

Sources: This statement was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Garland. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the government's total taxable assessed value.

City of Garland
Legal Debt Margin Information
September 30, 2022
(unaudited)

As a home rule city, the City of Garland is not limited by the law in the amount of debt it may issue. The City's charter (section 9.1) states:

> The Council shall have power to levy, for general purposes, an ad valorem tax on real, personal, and mixed property within the territory of the City of Garland, not exempt from taxation by the Constitution and laws of the State of Texas, based upon its true value as provided by law, to the extent of the constitutional limit permitted by the State of Texas to cities of over five thousand (5,000) population, and which said tax shall embrace all taxes for municipal purposes.

The City tax rate limitation is $2.50 per $100 assessed value. The tax rate for FY22 is $.757 per $100.00 assessed value.

City of Garland
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Electric Utility System Revenue Bonds						Water & Sewer Utility System Revenue Bonds					
	Gross Revenues (1)	Less: Operation & Maintenance Expenses (2)	Net Available Revenue (3)	Average Annual Debt Service (4) Principal	Average Annual Debt Service (4) Interest	Times Coverage (5)	Gross Revenues (1)	Less: Operation & Maintenance Expenses (2)	Net Available Revenue (3)	Average Annual Debt Service (4) Principal	Average Annual Debt Service (4) Interest	Times Coverage (5)
2013	$ 297,758,202	$ 241,171,931	$ 56,586,271	$ 5,076,111	$ 1,607,330	8.47	$ 92,710,455	$ 55,799,905	$ 36,910,550	$ 10,313,500	$ 3,458,475	2.68
2014	378,621,613	312,954,736	65,666,877	8,526,750	3,792,817	5.33	94,387,130	58,667,658	35,719,472	10,453,000	3,553,678	2.55
2015	341,110,573	283,279,931	57,830,642	8,516,316	3,446,312	4.83	101,420,086	60,211,698	41,208,388	10,383,684	3,280,082	3.02
2016	281,736,385	215,335,038	66,401,347	8,501,667	3,238,345	5.66	108,715,199	64,324,054	44,391,145	10,266,667	3,001,013	3.35
2017	282,850,756	214,058,309	68,792,447	8,972,750	3,549,664	5.49	108,584,843	68,288,444	40,296,399	9,820,000	2,673,950	3.23
2018	291,082,253	222,169,714	68,912,539	6,498,500	2,898,333	7.33	121,117,757	75,803,079	45,314,678	10,067,250	3,366,458	3.37
2019	308,374,453	182,328,918	126,045,535	10,906,333	6,573,272	7.21	124,177,631	75,537,223	48,640,408	10,109,211	3,062,276	3.69
2020	304,193,708	187,470,836	116,722,872	16,012,833	8,699,056	4.72	128,696,808	77,761,673	50,935,135	10,114,000	3,059,411	3.87
2021	365,705,970	269,888,150	95,817,820	23,723,833	12,807,069	2.62	125,625,847	78,874,719	46,751,128	10,355,500	2,892,723	3.53
2022	357,131,714	276,158,778	80,972,936	23,660,345	12,256,653	2.25	137,971,586	81,528,324	56,443,262	11,407,750	3,536,372	3.78

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
(1) Gross revenue includes all operating and non-operating revenues.
(2) Operations and maintenance expenses includes all reported operating expenses less depreciation, amortization of other assets, and the actuarial determined pension and OPEB expenses reflected under the salaries and benefits line item of the financial statements.
(3) Net available revenue represents gross revenues of the system less the operation and maintenance expenses incurred during the fiscal year.
(4) Average annual debt service for all outstanding prior lien revenue bonds and outstanding revenue bonds similarly secured.
(5) The Electric and Water & Sewer bond ordinances require that net available revenues of the systems be at least 1.25 times the average annual principle and interest requirements.

Table 15

City of Garland
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2013	231,618	5,085,868	21,958	33.7	12.9	58,059	6.4%
2014	233,206	5,120,737	21,958	33.4	12.9	58,059	5.1%
2015	234,533	5,080,219	21,661	33.4	12.9	58,000	4.0%
2016	235,885	5,366,620	22,751	33.8	12.9	55,100	3.8%
2017	236,786	5,611,118	23,697	34.5	12.9	57,000	3.3%
2018	238,293	5,519,819	23,164	35.3	12.9	56,471	3.4%
2019	239,684	5,827,437	24,313	34.1	12.9	56,471	3.1%
2020	242,914	6,148,153	25,310	34.3	12.9	55,848	7.4%
2021	246,173	6,230,639	25,310	34.1	12.9	55,848	4.4%
2022	247,590	6,799,812	27,464	33.1	12.9	52,355	3.4%

Sources: City of Garland, Texas - Planning Department, U. S. Census, Garland Independent School District, Garland Chamber of Commerce, and Texas Employment Commission

City of Garland
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2022			2013		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Kraft Foods	796	1	0.64%	-		-
US Food Service	520	2	0.42%	500	5	0.45%
Atlas Copco	460	3	0.37%	727	4	0.66%
SilverLine Window	425	4	0.34%	-		-
Hatco (Resistol)	390	5	0.32%	490	8	0.44%
L3 Communications	350	6	0.28%	-		0.00%
Arrow Fabricated Tubing	340	7	0.28%	-		-
Valspar	300	8	0.24%	-		-
KARLEE, Inc	290	9	0.23%	451	7	-
General Dynamics	275	10	0.22%	-		0.00%
Raytheon E-Systems	-		-	2,200	1	2.00%
Wal-Mart Super Cneters	-		-	1,250	2	1.13%
International/SST Truck	-		-	982	3	0.89%
Home Depot	-		-	339	9	0.31%
APEX Tool Group	-		-	467	6	0.42%
Prestige Ford	-		-	310	10	0.28%
	4,146		3.30%	7,716		6.59%

Sources: City of Garland, Texas - Tax Office & Texas Workforce Commission, Labor Market Information

City of Garland
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
General Government	348	351	356	362	370	382	388	389	397	409
Police										
Sworn (civil service)	323	323	323	334	337	348	355	354	354	359
Non-Sworn (non-civil service)	133	133	133	133	133	133	133	134	141	146
Fire										
Sworn (civil service)	255	255	254	254	254	257	264	264	264	267
Non-Sworn (non-civil service)	7	7	7	7	7	7	7	7	7	7
Culture and Recreation	159	159	160	160	160	162	164	163	163	164
Internal Services	252	252	252	253	254	256	262	256	255	256
Electric	249	251	251	251	251	251	235	235	235	235
Water	63	64	64	63	65	65	65	66	66	68
Sewer	97	97	99	100	102	102	102	101	101	103
Sanitation	87	87	87	87	87	90	97	99	98	102
Stormwater Management	24	24	24	24	24	24	24	24	24	24
Golf	17	16	16	16	16	29	29	28	28	28
Special Revenue	42	41	39	41	42	41	40	40	41	48
Total FTE Employees	2,056	2,060	2,065	2,085	2,102	2,147	2,165	2,160	2,174	2,216

Source: City of Garland Budget Office

City of Garland
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020 *	2021	2022
Function										
Police										
Physical arrests	11,168	10,587	9,741	9,151	9,287	8,942	9,731	5,641	5,527	6,471
Citations issued	62,737	57,341	51,924	51,864	60,147	53,737	59,797	38,555	41,497	42,918
Fire										
Number of calls answered	21,924	21,349	22,036	23,058	24,312	25,159	25,439	25,730	29,538	29,131
Business Inspections	2,029	2,354	3,821	5,701	9,105	7,491	5,055	4,955	3,277	5,074
Highways and streets										
Street resurfacing (miles)	15	16	21	23	49	36	35	37	33	39
Service maintenance requests	2,099	1,963	2,573	2,485	2,041	2,796	3,643	2,613	1,641	2,326
Parks and recreation										
Performing arts center attendance	134,637	136,255	161,346	148,241	151,000	149,000	155,000	79,399	48,186	96,296
Recreation center attendance	1,199,720	1,307,212	1,367,403	1,455,784	1,248,000	1,185,000	1,109,000	575,826	521,325	1,129,297
Library										
Volumes, items, or physical units	346,108	342,826	363,784	361,733	361,277	357,672	665,737	637,315	369,141	338,394
Number of Library circulation transactions	1,569,059	1,524,365	1,516,250	1,398,209	1,290,241	1,169,855	1,113,486	576,609	824,941	789,109
Electric										
Number of accounts	69,126	69,262	69,491	69,533	69,929	70,964	71,647	72,295	73,607	74,180
Average daily usage (KWH)	5,270,163	5,450,915	5,470,273	5,272,563	5,170,775	5,480,345	5,352,577	5,363,593	5,261,027	5,797,409
Water										
New connections	196	36	177	281	132	199	225	607	323	139
Water main breaks	438	449	344	206	144	264	171	201	201	201
Average daily consumption (thousands of gallons)	30,058	26,503	26,624	27,315	27,769	29,808	29,249	31,736	30,412	30,905
Sewer										
Average daily sewage treatment (millions of gallons)	34	32	39	33	34	37	46	41	39	34

Sources: Various City departments

* FY20 statistics are impacted by closures related to the Covid 19 pandemic. Various departments experienced periodic closures to ensure the safety of the public.

City of Garland
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	81	123	123	123	122	122	122	155	155	155
Fire Stations	11	11	11	11	11	11	11	11	11	11
Highways and streets										
Streets (miles)	700.00	700.00	700.00	700.00	702.78	703.64	703.64	703.64	706.84	706.84
Streetlights	14,104	14,060	13,798	14,364	14,418	14,335	14,197	14,138	14,101	14,157
Traffic signals	185	190	192	193	192	192	193	194	196	194
Parks and recreation										
Parks acreage	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Parks	63	63	63	63	63	63	63	63	63	63
Swimming pools	4	4	4	4	4	4	4	4	3	3
Tennis courts	35	35	35	35	35	35	35	35	35	35
Recreation centers	6	6	6	6	6	6	6	6	6	6
Electric										
Substations	23	28	28	29	31	32	33	36	35	33
Miles of service lines	1,090	1,174	1,179	1,190	1,195	1,276	1,283	1,310	1,314	1,314
Maximum resource capacity (MW)	528.0	530.0	530.0	530.0	530.0	523.0	523.0	523.0	529.0	451.0
Water										
Water mains (miles)	1,117	1,118	1,122	1,126	1,130	1,135	960	967	972	975
Fire Hydrants	8,305	8,325	8,365	8,411	8,465	8,529	8,672	8,752	8,824	8,857
Maximum daily capacity (millions of gallons)	221	225	225	225	225	225	225	225	225	225
Sewer										
Sanitary sewers (miles)	1,003	1,004	1,006	1,008	1,010	1,011	895	900	902	903
Maximum daily flow (MGD)	70	55	135	111	76	143	121	125	106	102
Maximum daily treatment capacity (millions of gallons)	64	64	64	64	64	64	64	64	64	64

Sources: Various City departments

Texas Municipal Power Agency
Condensed Financial Information
September 30, 2022

		Amount in (000's)
Total assets	$	214,339
Total liabilities		232,479
Total deferred inflows of resources		5,842
Total net assets		(23,982)
Total liabilities and net assets	$	214,339
Total operating revenues	$	34,281
Total operating expenses		16,855
Income from operations		17,426
Total other income(expenses)		(108)
Total interest charges		(3,797)
Deferred cost		(1,117)
Refunds to member Cities		(87,032)
Change in net assets		(74,628)
Gain on sale of plant		58,039
Net assets - beginning balance		(7,393)
Net assets - ending balance	$	(23,982)

Source: TMPA Annual Comprehensive Financial Report

City of Garland
Schedule of Insurance in Force
September 30, 2022
(unaudited)

Insurance Company	Policy Number	From	To	Description	Deductible	Limits
Evanston Insurance Company	MKLV5PSM000142	04/02/22	04/02/23	Medical Professional Liability	$ 2,500	$ 1,000,000
AIG Cyber Insurance	01-708-49-20	10/01/21	10/01/22	Cyber Liability	$ 150,000	$ 1,000,000
Great American Insurance Company	GVT 402-76-13-08-00	10/01/21	10/01/22	Commercial Crime Coverage	$ 100,000	$ 1,000,000
Great American Insurance Company	IMP E775675 00 00	10/01/21	10/01/22	Contractors Equip. & Fleet Catastrophe	Various	$ 20,000,000
Property Insurance Carriers					Various	$ 250,000,000
Lloyds of London/ HDI (UK) - Lead Carrier	B0775CPC378021	10/01/21	10/01/22	Primary $250,000,000		
Everest	CA3P006450-211	10/01/21	10/01/22	Primary $10,000,000		
Lloyds/ Fidelis	B0775CPC378721	10/01/21	10/01/22	Primary $10,000,000		
Lloyds/Rokstone	B0775CPC378921	10/01/21	10/01/22	Primary $10,000,000		
Lloyds/ Ark	B0775CPC378221	10/01/21	10/01/22	Primary $25,000,000		
Lloyds/ TMK, KLN, Amlin, Hiscox, KI	B0775CPC379121	10/01/21	10/01/22	Primary $25,000,000		
Lloyds/ WRB	B0775CPC382021	10/01/21	10/01/22	Primary $25,000,000		
Lloyds/ Agora	B0775CPC381821	10/01/21	10/01/22	Primary $25,000,000		
Lexington	0062502678	10/01/21	10/01/22	Primary $50,000,000		
Lloyds/ Liberty Spec Bermuda	B0775CPC378121	10/01/21	10/01/22	Primary $50,000,000		
RSUI/Landmark	LHD920413	10/01/21	10/01/22	$15M xs $10M		
Arch Specialty Insurance	ESP1008972-00	10/01/21	10/01/22	$40M xs $10M		
Lloyds/ Atrium	B0775CPC379421	10/01/21	10/01/22	$40M xs $10M		
Loyds/MAP	B0775CPC379521	10/01/21	10/01/22	$75M xs $25M		
Kinsale	0100128573-1	10/01/21	10/01/22	$25M xs $25M		
Lloyds/ Fidelis	B0775CPC378521	10/01/21	10/01/22	$25M xs $25M		
Markel/Evanston	MKLV2XPR000529	10/01/21	10/01/22	$25M xs $25M		
Lloyds/ Partner Re Ireland	B0775CPC379021	10/01/21	10/01/22	$25M xs $25M		
Lloyds/ ARK	B0775CPC381921	10/01/21	10/01/22	$25M xs $25M		
Lloyds/ Houston Casualty (HCC)	B0775CPC378821	10/01/21	10/01/22	$25M xs $25M		
Lloyds/ HCC	B0775CPC378821	10/01/21	10/01/22	$50M xs $50M		
Intact/ Homeland	795016554	10/01/21	10/01/22	$2000M xs $50M		
Lloyds/ Chubb Europe	B0775CPC378421	10/01/21	10/01/22	$2000M xs $50M		
Scottsdale	BXS0002781	10/01/21	10/01/22	$150M xs $100M		
Lloyds/ MAP	B0775CPC382221	10/01/21	10/01/22	Olinger Only - DIL Top Up $25M xs $50M		
Lloyds/ Fidelis	B0775CPC382521	10/01/21	10/01/22	Olinger Only - DIL Top Up $25M xs $50M		
Nationwide Mutual Insurance Company	FWC000003184680	10/15/21	10/15/22	Special Events Liability	None	$ 1,000,000
Genesis Insurance Company	YXB301166H	10/01/21	10/01/22	Excess Casualty Coverage	$ 750,000	$ 5,000,000
Travelers Insurance Companies	BME1-8S165874	10/15/21	10/01/22	Boiler & Machinery Coverage	$25,000 / $500,000	$ 100,000,000
Safety National Casualty Corp	SP 4065723	10/01/21	10/01/22	Excess Workers Compensation	$ 750,000	Statutory/$1,000,000
Lloyds of London (THB)	B0775CP10162108	10/01/21	09/30/22	Terrorism Insurance Coverage	$ 25,000	$ 250,000,000
U.S. Risk Insurance Group	HSLL-47785	10/01/21	10/01/22	Liquor Liability Insurance Coverage	None	$ 1,000,000

Sources: City of Garland Risk Management Department